

CHOICE

A young man with dark hair and a wide smile is the central figure. His face, neck, and arms are splattered with dark dirt or mud. He is wearing a long-sleeved shirt with horizontal stripes in white, dark blue, and yellow. His arms are crossed over his chest.

Could your
detergent
cope?

We test 50 to find out

Why
antibiotics
don't always
work

How not to be
fooled by
food labels

Learning from
financial disasters

MORE TESTS:
Bathroom heat lamps
Day backpacks

Services, not products, now the major consumer issue



Jane Mackenzie

We're often asked, "How do you decide what you're going to test and write about in CHOICE?" The answer is that we ask you, our subscribers, what you'd like to see in the magazine.

Twice a year we send out a survey to 3000 randomly selected subscribers, asking what general topics you're interested in, as well as suggesting several specific articles and tests. We also ask you which topics you'd like to see more articles about.

Our latest survey showed food still to be the topic of overall highest interest — around 65% of you said you were 'very interested' in food safety, nutrition and diet, and food labelling, and 50% of you want us to do more articles on the subject. We'll be taking that on board when we're planning tests and reports for the next year.

Interest in food was closely followed by banks, insurance, marketing and retailing, and health. This isn't surprising, as they're all major service issues in today's world, and we'll be working to make dealing with them easier for you.

Product tests are generally regarded as the 'backbone' of CHOICE — it's why most people have heard of us, and why they start to subscribe when they're putting a household together. We'll carry on doing them, of course, but we were very interested to learn that a large majority of you (close to 80%) think we do enough of them — you don't want us to start testing even more appliances.

This reflects the shift in emphasis in consumer experiences between CHOICE's earlier days and now. Getting the best out of services, avoiding marketing scams, caring for your health and knowing your consumer rights have taken over as top priorities from the need to know which appliance is the best.

We'll be doing our best in future issues to give you what you've told us you want to read.

Jane Mackenzie, Editor

Your letters

We welcome the letters you send us — please always include a daytime telephone number so we can contact you quickly if we want to follow your letter up. We're sorry we can't personally answer every letter we receive, but we do use them in our research. Thanks for taking the time to keep in touch.

Write to us at CHOICE, 57 Carrington Road, Marrickville 2204.
Phone us on (02) 9577 3399.

Fax us on (02) 9577 3355.

email us at ausconsumer@choice.com.au

World Wide Web address: <http://www.sofcom.com.au/ACA/>

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They're the most popular type of bathroom heater at the moment, but do heat lamps keep you as warm as an old-fashioned strip radiator?



Coming in the next three issues:

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◀ How well do electric blankets stand up to tough use? Our tests find out.

Reports: Cash management trusts, caring for someone at home, shopping guide to paper products, misleading financial ads, how to dispose safely of household chemicals, is it really cheaper to buy larger packets?, infomercials, laser eye surgery, product safety.

We try to bring you tests and reports in the planned month, but sometimes have to move an article because of problems that occur during testing and research, or for lack of space in a particular issue. We apologise if this causes any inconvenience.

Care with medicine bottles

POISONING IS THE SECOND MOST COMMON CAUSE FOR HOSPITAL ADMISSION IN children under five. Seven out of 10 poisonings involve pharmaceuticals, and the main culprit is paracetamol.

This doesn't surprise reader Anne Wheatley from WA. A few months ago she gave her 10-month-old daughter, Isabella, a dose of Panadol paracetamol drops for infants and recapped the bottle. She turned her back and seconds later heard a glugging sound — Isabella had taken the 'child-resistant' cap off and drunk most of the bottle (equivalent to 1500 mg of paracetamol). They spent the rest of the night in hospital, where Isabella underwent detoxification. Thanks to the quick action of Anne and the hospital staff there was no permanent damage.

Anne is certain she replaced the child-resistant lid properly, but when she tested it later, she found it wasn't working. She then contacted CHOICE with her concerns. We bought five bottles of the drops (all from different batches) and had problems with the locking mechanisms on three.



The manufacturer, SmithKline Beecham (SB), points out that the lids aren't meant to be childproof, only child-resistant — the idea is to make it harder, not impossible, to open. The only way to make medicine bottles 100% safe is to keep them out of reach of children at all times — in particular when you've just used them and may be busy with other things. However, the company is taking the matter seriously: improved capping and quality control systems are now in place for new batches of Panadol drops for infants, and SB has voluntarily recalled stocks from shops for reprocessing.

If you've bought Panadol drops for infants and have any questions, contact SB on its consumer infoline: 1800 028 533.

A 24-hour Poisons Information Line can be contacted on 13 11 26 from anywhere in Australia.

Fresh bread ... or is it?

THERE'S NOTHING QUITE LIKE FRESHLY BAKED bread, but these days it's hard to know exactly when it's been baked. You may have noticed that the information on the little tag sealing the bread package has changed. A number of CHOICE subscribers certainly have.

Previously, bread had a 'baked on' or 'baked for' date, so you knew if it was freshly baked that day, or the night before. Now many bread manufacturers provide only a 'use by' date. This means you have no clear way of knowing how old the bread you're buying is.

According to the Food Standards Code on labelling regulations in Australia, bread labelling is the only area where manufacturers have a choice of the types of date marking: bread can have a 'use by', 'baked on' or 'baked for' date. Manufacturers assure us that bread is baked daily and their employees are under instruction to replace bread every day when they stack the supermarket shelves. If this is the case, CHOICE wonders why they don't show a 'baked on' or



Consumers want 'baked on', not 'use by', on bread labels.

'baked for' date, as well as a use-by date, so you'd know exactly what you were buying.

The regulations for the date marking of products are currently under review, and CHOICE will be calling for mandatory regulations for including 'baked on' or 'baked for' dates on bread packaging.

Can you help?

Tell us what you eat

We're looking for subscribers who would be interested in telling us what they eat for a week to help with an article we're planning on eating habits.

You'll need to be able to come to our Sydney (Marrickville) premises for one hour during the week beginning Monday, April 27, for instructions about how to keep records of everything you eat for seven days, starting at the beginning of May. You'll also need to be willing to be photographed, as we'd like to include photos of volunteers in the magazine.

We'd like to hear from people with a range of lifestyles: for example, a student, someone balancing family with work demands, or someone who is retired.

We're also interested in people who have particular dietary requirements — for example, if you're trying to lose weight.

If you're interested in helping, please send us some information about yourself, including details of your age, sex and occupation, and how physically active you are. Please also include a daytime telephone number so we can contact you if necessary.

Write to **Eating habits**, CHOICE, 57 Carrington Road, Marrickville 2204, fax to (02) 9577 3377 or email us on eatinghabits@choice.com.au by Friday, April 17. Thanks for your help.

Super bloopers

WHEN SYDNEYSIDER SB LEFT HER job, she expected her super to move with her.

But eight months after she instructed the superannuation administrator to roll her benefit over to her new nominated account, her super was still in her old employer's fund.

SB's case is unfortunately not uncommon. Around 7% of people who ring the Superannuation Complaints Tribunal (SCT) do so because of delays in rolling over their super or other administration problems.

Briefly, SB's case went like this. She left her job in January 1996 and informed the super fund administrator (we'll call it Fund A) to roll over her benefit to a new fund (Fund B) in March 1997.

Around May, after she hadn't received any notification of the new arrangements, she rang Fund B to check whether the benefit had been paid. It hadn't, so she rang her old employer, who told her all

super benefits from Fund A had been switched to another fund administrator (Fund C). But Fund C had no record of SB's file.

After months of calling Funds A, B, C and her old employer to check where her money was, SB's patience was running out. But, according to the SCT, she could have insisted on action as soon as she realised her benefit wasn't in Fund B. When she hadn't heard anything back within six weeks of the administrator being advised of a benefit transfer, SB should have written to the trustee of Fund A (whose name would be on her member statement and who has legal responsibility for the funds).



Corrections

CHOICE, January/February 1998

Mobile phones

In the table on page 28 we said the **ERICSSON GH 688** didn't beep at intervals during calls to help you keep track of time. Ericsson tells us you can turn on this feature through the phone's menu, to make it beep every 60 seconds. This change makes no difference to the phone's scoring or rank order in the test.

Mid-price VCRs

On page 45, in the profile for the **SHARP VC-A460X**, we said the timer for onscreen programming had to be adjusted in minutes rather than hours. This is true for the 'simple recording' timer (and can be done in 10-minute steps), but the clock and normal timer can be changed in both hours and minutes by using the numeric keys or the up/down keys. This change makes no difference to the scoring or rank order of this VCR.

If she hadn't heard from the trustee within 90 days of writing, or was unsatisfied with the outcome, she could have applied to take the matter to the SCT.

One of the most annoying things about 'lost' rollover is that there's no guarantee it's earning interest in the interim — you'd have to check what the super fund's rules were.

SB was finally advised by Fund C that Fund A was transferring her benefit to Fund B. But until she receives a statement with her super clearly in the right account, she won't be satisfied.

Tips:

- Keep clear telephone records or put all inquiries in writing. You'll then have a dated record of correspondence if matters drag on.
- Ring the SCT's inquiry line on 13 14 34 if you'd like information on how to write a letter to a trustee.

Sorry if you've had a problem...

CHOICE INSTALLED A NEW COMPUTER IN DECEMBER to manage our subscriber database and magazine mailing system. We had to make this change as our old computer was no longer supported by the supplier, and neither could it cope with the year 2000.

We expected a few glitches while we settled the system in and learned how to run it — and, unfortunately, by now some of you are aware of these problems.

For example, when we mailed the January/February issue of CHOICE, it said 0000 instead of the usual subscription expiry date. Many of you called us, worried that your subscription had expired — no, it hasn't.

All subscribers now have a new number, which appears on the top right-hand corner of your current address label.

We spread confusion to other subscribers by mailing a reminder to renew when you'd already renewed. Our apologies again.

As the publisher of CHOICE, we'd like to have got it right first time, but unfortunately computer networks aren't that obliging. We're sincerely sorry for the errors you may have experienced and assure you that we're working hard to settle the system in. By the time you read this, things will hopefully be back to normal.

Thank you for your understanding and patience during the settling-in period. The end result will be more efficient service and reduced costs, which we can direct into more testing and research.

With the help of eight subscribers, we delved into the world of food labels — and came up with the good, the bad and the ugly.

Food labels:

what they reveal and conceal



IN THIS ARTICLE

- What should you expect to see on a food label, and how do you cut through the marketing hype to get a true picture (pages 6 to 10)?
- Our group of CHOICE subscribers told us what they liked and didn't like on food labels — see page 11 to find out if your pet hate is on the list.

THERE'S A LOT OF INFORMATION ON food labels, but unfortunately surveys show that people have difficulty understanding it — things like ingredients lists, the nutrition panel and technical jargon prove to be a challenge. And if that's not enough, when the marketing wheel is in motion even the name of a product can mislead. In this article, with the help of eight consumers, we unravel the world of food labelling.

What's on a label?

By law, a number of things have to be on a food label, and there are other optional pieces of information that a manufacturer may choose to include. The illustration on page 9 shows a typical food label and what's on it. All the information has to be in English and legible.

What's in a name?

How often do you buy a food product based on the strength of its enticing name, only to find the contents are nothing like you'd expected? Quite frequently, judging by the numerous letters we get on the subject from consumers who feel ripped-off. The photos on the right and at the top of page 7 are examples.

One of our subscribers bought a packet of **Morning Sun Natural Peach and Pecan Muesli** because he thought the "description and illustration looked particularly appealing". When he opened the pack he didn't

see any peach or pecan and decided to go through the contents piece by piece to see exactly what he'd purchased.

By his count he was getting less than 3% peach and about 1.5% pecan. While this roughly corresponds with what's stated in the ingredients list (4.1% peach and 1.5% pecan), it's hardly surprising he felt let down by the name. The situation is much the same for the other mueslis in the Morning Sun range.



Listing the ingredients

Ingredients labelling is under review at the moment, and it looks as though, finally, water will have to be listed in its rightful place in the ingredients list — in descending order by weight, instead of at the end of it.

However, other desirable things such as listing the percentage of each ingredient (at least the main ones) in the product doesn't look set to happen.

And many of the things about ingredients labelling that frustrated our group of subscribers aren't

Continued overleaf

Antonio purchased a packet of **Kalamari Rings** and didn't realise until he'd cooked and tasted them that it was 'fake' calamari. He said he should have read the ingredients list before he bought them — if he had, he would have seen that white fish was the main ingredient and that squid was only fourth on the list — but you can forgive him for assuming it was calamari (albeit spelt with a 'k') that he was buying.



Introducing our panel of label readers...



BRONWYN DEWAR has allergies, and the mother of a baby who is already showing signs of allergies. She checks labels for allergy triggers like MSG, sulphur dioxide and colours, and tries to buy foods with no added salt or sugar and with a low fat content. Bronwyn would like to see common allergy triggers highlighted on food labels.



MARIA COSTELLO is a mother of two small children. She reads food labels to compare ingredients lists and the amount of nutrients, she often purchases 'no-name' brands if all else seems equal except price. She checks the fat content of dairy products as she tries to keep her family's fat intake to a sensible level.



DON MACCORQUODALE is retired, and has non-insulin-dependent diabetes and a heart condition. He does the food shopping with his wife and checks food labels for sugar, sodium, potassium, cholesterol and fat content. He's been told to cut down on sodium, but also to watch his potassium intake, which sometimes proves difficult to do — salt

substitutes usually contain too much potassium for him.



FRANK FUNICELLO is on medication for high blood pressure and high cholesterol, and is therefore concerned about the amount of sodium and fat in his diet. He finds that even if you're looking out for sodium you can be fooled. For example, he recently purchased something that didn't have any salt listed in the ingredients, only to get it home and find that soy sauce, which is high in salt, was the second-largest ingredient.



DENISE DOLAN is a mother of two school-aged children. She tries to cook a lot of fresh food but there are days when she just can't face one more "I hate this", so resorts to cans, packets or frozen meals — her kids think anything that comes out of a packet must be good! And of course, once we get into packaged and processed foods, we enter the minefield of labelling.



ROBIN GREGORY has a grown-up family who all have children of their own, some with special needs. One grand-daughter has an allergy to milk, three are Muslim and there are certain products they are unable to eat. She and her daughter-in-law have cholesterol problems and her husband has high blood pressure. When catering for this range of family needs you need

your wits about you when shopping, especially when the labels are often less than revealing. Her main worries are fats, sugars, milk and pork products.



EYLEENE HANCOCK is a mother of two young children and is trying to lose some weight. She says nobody likes shopping with her because she reads all the labels. Comparing prices, contents, country of origin and fat content, as well as looking at the additives. Eyleene's pet hate is when they don't name the additives, just give the numbers.



WENDY REID is a mother of four children (ranging from two to 12 years) who has successfully lost a fair bit of weight in the last year and would like to keep it that way. She checks labels for various reasons: fat and cholesterol content (due to a family history of heart disease), calcium (a family history of osteoporosis), salt (usually in snack foods for kids), artificial sweetener (her family doesn't like the flavour), sugars (in snack foods and cereals for kids) and artificial flavours or colours in foods that don't really need them.

FOOD LABELS

Wendy likes to check what type of fat is added to foods, but she often finds it impossible with things like biscuits and other baked goods because fat is listed as 'animal and/or vegetable fat' or similar. This is unhelpful if you want to avoid animal fat or some vegetable fats. It's an issue for vegetarians as well — some don't want to eat foods with animal fat in them.

Unfortunately it's all quite legal — manufacturers who sometimes vary ingredients that have the same purpose in the food can include both names on the label.



INGREDIENTS: WHEAT FLOUR, SUGAR, BEEF &/OR VEGETABLE FAT, GLUCOSE SYRUP, WHEAT STARCH, GOLDEN SYRUP, SALT, MILK POWDER, MINERAL SALTS (500, 500).

likely to change either. Many of these complaints involve the use of class names (such as 'meat' or 'vegetable oil') in the ingredients list instead of the actual ingredient.

What does 'use by' really mean?

You may be confused about whether there's a difference between 'use by' and 'best before' dates, because in Australia the two terms aren't strictly used to mean what they sound as if they mean. In some other countries the use-by date means just that: the product shouldn't be eaten after that date. 'Best before' in that situation indicates the food should be at peak quality until the date given but is still safe to eat after that date, though its quality may suffer.

This is a sensible, safe solution that also avoids wastage, and CHOICE thinks 'use by' should be re-defined in Australia to clearly mean a genuine expiry date. Only highly perishable foods such as milk, packaged fresh meat and refrigerated dinners would

then use the term 'use by' and they shouldn't be sold or consumed after the specified date.

Some foods such as bread or eggs may need special descriptions such as 'baked on' or 'laid on' (see *Fresh bread...or is it?* on page 4 for more on this). And fresh packed meat should carry a date of packing as well as a 'use by' date. All other foods should carry a 'best before' date.

Where does it come from?

Currently, our food regulations don't set out what the country of origin claims 'Made in' or 'Product of' actually mean. This means it has been up to the courts to decide whether, for example, a jar of peanut butter made in Australia from imported peanuts can be labelled 'Made in Australia'.

The Australia New Zealand Food Authority (ANZFA) had proposed a change to the labelling that would make the true situation clearer. Labels would have said: 'Made in Australia from Australian and imported ingredients' (more than 50% Australian content), or 'from imported and Australian ingredients' (less than 50% Australian with at least one major Australian ingredient).

Now, due to the Federal Government considering new labelling laws for all consumer products, there is a chance that foods with considerably less than 50% Australian content may be allowed to carry the label 'Made in Australia' without qualification. The proposal is that 'Made in Australia' can be used on foods for which 50% or more of the cost of production was incurred in Australia. Ingredients might only be a small component of this, so a product labelled 'Made in Australia' could be made from mostly imported ingredients.

While being made in Australia is a guarantee of neither quality nor value for money, many people like to support local industry by buying foods 'Made in Australia', so it's a valued marketing tool that shouldn't be misleading. CHOICE considers an unqualified 'Made in' for food products which might contain a large proportion of ingredients from overseas will render the term useless for consumers.

The nutrition panel

ANZFA has started to review the nutrition information panel. It's looking at what nutrition information should be included in the panel as well as how the information should be presented.

We'll be pushing for:

- Mandatory nutrition panels on all packaged foods.
- Inclusion of the amount of saturated fat and fibre in relevant foods in the panel.
- Extension of nutrition labelling to cover some types of unpackaged foods, such as fast foods.

Continued on page 10

Rule of thumb guide

A lot means...

These amounts or more per 100 g:

30 g of sugars
20 g of fat
3 g of fibre
600 mg of sodium

A little means...

These amounts or less per 100 g:

5 g of sugars
3 g of fat
0.5 g of fibre
120 mg of sodium

This guide gives you a rough idea of whether a food contains a lot or a little of the most important nutrients — you should be watching your fat, sugar and sodium intake and eating plenty of fibre.

Nutrition information can also be used to compare two similar products. To check which of two different brands of cheese has less fat, for example, compare the amounts of fat per 100 g.

Date marking (1) is a guide to the amount of time for which the unopened packaged food, when stored correctly, should keep its quality and wholesomeness. Date marking is usually in the form of 'use by' or 'best before', with 'baked on' (on bread, for example) or 'packed on' (on meat, for example) sometimes used. There's a lot of confusion among consumers as to what the date marking really means. For more on this, see *What does 'use by' really mean?*, left.

Date marking and/or batch code is a way of identifying where, and at what time, the food was prepared or packed. This is vital information in case a product needs to be recalled because of tampering or food poisoning, for example.

Name (1): Some foods have a name that's prescribed by law (such as margarine, ice cream, bread) and often this name alone is enough for you to figure out what the food is. However, some other names can be potentially misleading. You might be very surprised at what you take home — as many of our subscribers have found out over the years (see *What's in a name?* on page 6 for more on this).

Name and address (1) of the retailer, manufacturer, packer or importer.

Country of origin (1) identifies the country in which the food was made or grown. Well, that's the theory, but at present regulations are so lax that you may really be none the wiser as to the 'true' country of origin even with the labelling. This area has been under review for a number of years now. See *Where does it come from?*, left, for more information.

KEY:

- (1) This information has to be on almost all food labels (under some circumstances a small number of foods are exempt from some of these labelling requirements).
- (2) This information has to be provided if the manufacturers make a claim about a nutrient on the label. Otherwise it's voluntary.
- (3) It's up to the manufacturer whether or not to include this type of information.

Sara Lee
HEARTY FRUIT MUFFINS
Blueberry

USE BY 12 FEBRUARY 1999 11:30

FIBRE-RICH

FROZEN
NET 300g

4 Real Fruit Muffins
No Artificial Flavours, Preservatives or Colours

STORAGE: STORE IN FREEZER COMPARTMENT OF YOUR REFRIGERATOR.

SERVING DIRECTIONS

	1 Muffin	2 Muffins	3 Muffins	4 Muffins
MICROWAVE OVEN HEATING Remove muffins from full pan, heat on full power.	45 seconds	1 minute, 12 seconds	1 minute, 30 seconds	2 minutes
CONVENTIONAL OVEN HEATING Preheat to 175°C (350°F).	Heat on full pan 17-19 minutes.			
TOASTER OVEN HEATING Preheat to 175°C (350°F). Remove muffins from full pan.	Heat on toaster oven tray 18-20 minutes.			
ROOM TEMPERATURE TREATING	Let stand at room temperature about 150 hours.			

* Because microwave, conventional and toaster ovens vary, adjust temperature and time as needed.

© Sara Lee's outer packaging is fully recyclable.
* To learn more about the benefits of fibre, visit our website: www.fibreaction.com.au
* Compare the fibre and quality you expect from Sara Lee. Please choose the 100% energy packaging thoughtfully.

PRODUCED BY SARA LEE AUSTRALIAN PTY LTD, LOT 5, NAGLEY CRESCENT, LISGARDIE, SOUTH AUSTRALIA 5086

PRODUCT OF AUSTRALIA

INGREDIENTS: FLOUR, SUGAR, VEGETABLE OIL, BLUEBERRY, FRESH JUICE, GLUCOSE, BAKING POWDER, LEMON JUICE, VANILLA, BAKING SODA, BUTTER, ADDED SALT, BAKING SODA, WATER, ADDED SALT.

NUTRITION INFORMATION
Serving size per package 4
Serving size 75g

	PER MUFFIN	PER 100g
Energy	1100 kJ	1460 kJ
Protein	2.9g	3.9g
Fat	9.9g	13.2g
Carbohydrate - total	42.5g	56.7g
Sugars	19.2g	25.6g
Fibre	2.1g	2.8g
Moisture	250 mg	333 mg
Sodium	60 mg	80 mg
Cholesterol	32 mg	43 mg

The ingredients list (1) is your guide to what's in the food. Ingredients must be listed in descending order by weight, except for water, which can be listed last. However, this may change (see *Listing the ingredients* on page 7 for more information).

- **Fat:** The fat content is sometimes broken up into saturated, monounsaturated and polyunsaturated fats in the panel. We think this is very useful information, particularly when fat is a large part of the food. You should know how much saturated fat you're eating. Information on trans fat (which acts in the same way as saturated fat in the body) is sometimes included as well. Again, we think this is another step in the right direction.
- **Likewise, when fibre** is an important component of the food we think it should be broken up into soluble and insoluble fibre in the panel (when eaten in sufficient quantity, soluble fibre can lower blood cholesterol and heart disease risk).

Nutrient claims (3) like 'low in fat' or 'high in fibre' can be a quick and easy way to help you decide what to buy, but they can also pull the wool over your eyes — read the nutrition panel as well to check the amount of other nutrients in the food. Something may be low in fat, but at the same time be high in sugar or salt, for example. And although there is a code of practice that gives guidelines to manufacturers about what claims they should use under what circumstances, it's all voluntary, with no legal requirements.

Some claims, such as those about vitamins and minerals, as well as energy claims like 'low-joule', are regulated, so the food has to meet certain conditions before these claims can legally be made.

For more on all this, see *Nutrient claims*, on page 10.

Measure (1): This tells you the amount of food in the package. It's expressed in grams (g) for solid and semi-solid foods, and millilitres (mL) for liquids. If you buy a canned product, bear in mind that the net weight includes the weight of the often throw-away liquid portion as well. (For more information, see *Canned or coned?*, CHOICE, October 1997).

The nutrition information panel (2) tells you the amount of the different nutrients in the food. If a product has a nutrition claim on it, it has to have a panel, which has to be laid out as illustrated. Otherwise it's not compulsory. We think all packaged foods should have to carry a panel.

Labelling review

The national food regulator (Australia New Zealand Food Authority — ANZFA) is currently reviewing all the labelling provisions in the Food Standards Code. This review started in 1995 and is due to finish this year.

CHOICE is involved in this review and is pushing to make one of ANZFA's stated objectives for labels a reality:

"The provision of adequate information relating to food to enable consumers to make informed choices about food and to prevent fraud and deception."



Fibre-rich they ain't — well, at least not according to the code of practice on nutrient claims. The code says that to be called 'very high fibre' a food must have at least 6 g of dietary fibre in a serve, and to be called 'high fibre' at least 3 g — these muffins have 2.1 g in a serve.

■ A clear and easy to understand format to help consumers make informed choices.

In the meantime, see page 8 for a rule of thumb guide that should help you to choose foods.

Nutrient claims

Over the years we've given you a number of tips on how to interpret nutrient claims. If you want to jog your memory, read *Food label claims: what do they mean?*, CHOICE, February 1995. We recap some of the more common ones for you here:

■ The term 'light' or 'lite' doesn't necessarily mean the food is lower in a nutrient like fat or salt. It may just be light in colour, taste or texture. According to

the ANZFA code of practice (which is only voluntary), the label should mention what the food is light in, and in most cases they do — somewhere — so read the whole label carefully.

■ Don't be impressed by the terms 'no cholesterol', 'low cholesterol' or 'cholesterol-free' on an oil. They're pretty meaningless, because all vegetable oils contain virtually no cholesterol. They're still all high in fat, though, and can help to load on the kilos if used too generously.

■ Breakfast cereals are a good example of foods that often have their nutritional virtues splashed across the box, but they may still be high in sugar or salt, for example. Don't judge a book by its cover — always read the nutrient panel as well before you make your choice.

Health claims

The food industry is very keen to be allowed to put health claims on food labels, and ANZFA is considering lifting the ban which stops them from doing so. So in the future you may start to see, for example, labels on soups or drinks topped up with prescribed doses of antioxidant vitamins (A, C and E) which say the food reduces the risk of cancer.

But will 'medicinalising' our food supply in such a way help consumers or simply distract them from the main aim of getting a healthy balanced diet? We think it will confuse many people, and they may well lose sight of the importance of the basic food groups to good health. CHOICE is not in favour of allowing health claims, and neither are many public health experts.

As far as we're concerned they're just another marketing ploy by manufacturers. □

Finding all the fat and sugar

Not all foods have a nutrition information panel on the label. When they don't, the ingredients list is your only rough guide to how much of a particular nutrient, such as fat or sugar, is in the food in relation to other ingredients. Except there's a snag — fat and sugar may be added in many forms, which can be scattered all over the ingredients list.

For example, in this packet of Milo biscuits there are four different sources of fat — cocoa butter, full cream milk powder, butter oil and vegetable fat. Separating them makes it harder to judge the total fat. We think it would be more helpful if they were all listed together as 'fats', with the individual types listed in descending order of weight.

Here are some tips on what to look for:

INGREDIENTS:

SUGAR, COCOA BUTTER, FLOUR, FULL CREAM MILK POWDER, MILK SOLIDS NON-FAT, COCOA LIQUOR, BUTTER OIL, VEGETABLE FAT, EXTRACT OF MALT AND OTHER CEREALS, COCOA, EMULSIFIERS (322, 476), STARCH, MINERAL SALTS (341, 500, 503, 504), FLAVOURS, SALT, MAY CONTAIN NUT TRACES.

Fats

- Margarine
- Butter
- Vegetable oil
- Lard
- Shortening
- Full cream milk powder
- Egg (cholesterol)
- Mono-, di- or triglycerides

'Sugars'

- Honey
- Malt
- Sugar/sucrose
- Molasses
- Glucose syrup
- Fructose (from fruit juice)
- Dextrose (this is an alternative name for glucose)
- Corn syrup
- Golden syrup

Labels our subscribers didn't like

We asked our panel to tell us what they didn't like on labels — this is what they came up with:

'Baked not fried' annoyed one of our group. 'It's meant to make you think it's really wonderful and healthy, I'll give it to my children, but just because it's been put in the oven to cook instead of immersed in fat doesn't mean it doesn't have a lot of fat in it. When you look at the fat content you find this snack does contain a lot of fat — 26.2 g per 100 g compared to 26.4 g per 100 g in Burger Rings — but people don't expect Burger Rings to be healthy.'



On some imported foods the labelling isn't written in English — our group couldn't even guess what this product was (it's baking powder). Of course, labelling like this is against our regulations, but nobody's doing much to stop it.



Meaningless claims provided annoying too. 'Nuttelex is nutritious'. What does that mean? I mean what's nutritious about something that's 83% fat?"



And labels they did like

The list of what our subscriber panel liked on labels wasn't as long as the list of what they didn't like.

The group liked it when the nutrition panel included information for the product as eaten — for example, breakfast cereals often give you nutrient figures for a serve of cereal with milk.

NUTRITION INFORMATION				
Serving size 30g (100g) 250ml (100g) 100g (100g)				
	PER 100g	PER 100g	PER 100g	PER 100g
ENERGY	1000 kJ	1000 kJ	1000 kJ	1000 kJ
TOTAL FAT	10g	10g	10g	10g
TOTAL CARBOHYDRATE	10g	10g	10g	10g
SUGAR	10g	10g	10g	10g
SODIUM	10g	10g	10g	10g
PROTEIN	10g	10g	10g	10g
DIETARY FIBRE	10g	10g	10g	10g
IRON	10g	10g	10g	10g
Calcium	10g	10g	10g	10g
Phosphorus	10g	10g	10g	10g
Thiamin	10g	10g	10g	10g
Niacin	10g	10g	10g	10g
Ascorbic Acid	10g	10g	10g	10g
Other	10g	10g	10g	10g



"You can get tinned food with no use-by date at all. You take a tin from the back of the cupboard and you've no idea how long it's been there."

A number of our group thought canned food having no use-by date was an error, but in fact if a product has a shelf-life of over two years (which most canned food does) it doesn't have to have one. This doesn't help consumers, who often have no idea how long a can has been sitting in the cupboard. A date of manufacture on canned foods might put consumers a little more at ease.



This product's claim is that it's "made from natural canola oil" but around the bottom of the base and very hard to read, it says it's made from canola oil (minimum 40%) and vegetable oil. Our panel expected it to be made just from canola.



A staff member assumed this product, which claims to have "no artificial flavours", wouldn't have any MSG in it, but to her surprise the ingredients list revealed that it did — both in the powder and the liquid sachets. Not even the fine print helps you — you'd have to know the number for MSG (621). And they're not breaking any rules — MSG is classed as a flavour enhancer, not as a flavour, but what consumer would make that fine distinction?

INGREDIENTS
NOODLES: WHEAT FLOUR, SALT, THICKENER (E414),
PRESERVATIVES (E202, E203, E204, E205, E206, E207, E208, E209, E210, E211, E212, E213, E214, E215, E216, E217, E218, E219, E220, E221, E222, E223, E224, E225, E226, E227, E228, E229, E230, E231, E232, E233, E234, E235, E236, E237, E238, E239, E240, E241, E242, E243, E244, E245, E246, E247, E248, E249, E250, E251, E252, E253, E254, E255, E256, E257, E258, E259, E260, E261, E262, E263, E264, E265, E266, E267, E268, E269, E270, E271, E272, E273, E274, E275, E276, E277, E278, E279, E280, E281, E282, E283, E284, E285, E286, E287, E288, E289, E290, E291, E292, E293, E294, E295, E296, E297, E298, E299, E300, E301, E302, E303, E304, E305, E306, E307, E308, E309, E310, E311, E312, E313, E314, E315, E316, E317, E318, E319, E320, E321, E322, E323, E324, E325, E326, E327, E328, E329, E330, E331, E332, E333, E334, E335, E336, E337, E338, E339, E340, E341, E342, E343, E344, E345, E346, E347, E348, E349, E350, E351, E352, E353, E354, E355, E356, E357, E358, E359, E360, E361, E362, E363, E364, E365, E366, E367, E368, E369, E370, E371, E372, E373, E374, E375, E376, E377, E378, E379, E380, E381, E382, E383, E384, E385, E386, E387, E388, E389, E390, E391, E392, E393, E394, E395, E396, E397, E398, E399, E400, E401, E402, E403, E404, E405, E406, E407, E408, E409, E410, E411, E412, E413, E414, E415, E416, E417, E418, E419, E420, E421, E422, E423, E424, E425, E426, E427, E428, E429, E430, E431, E432, E433, E434, E435, E436, E437, E438, E439, E440, E441, E442, E443, E444, E445, E446, E447, E448, E449, E450, E451, E452, E453, E454, E455, E456, E457, E458, E459, E460, E461, E462, E463, E464, E465, E466, E467, E468, E469, E470, E471, E472, E473, E474, E475, E476, E477, E478, E479, E480, E481, E482, E483, E484, E485, E486, E487, E488, E489, E490, E491, E492, E493, E494, E495, E496, E497, E498, E499, E500, E501, E502, E503, E504, E505, E506, E507, E508, E509, E510, E511, E512, E513, E514, E515, E516, E517, E518, E519, E520, E521, E522, E523, E524, E525, E526, E527, E528, E529, E530, E531, E532, E533, E534, E535, E536, E537, E538, E539, E540, E541, E542, E543, E544, E545, E546, E547, E548, E549, E550, E551, E552, E553, E554, E555, E556, E557, E558, E559, E560, E561, E562, E563, E564, E565, E566, E567, E568, E569, E570, E571, E572, E573, E574, E575, E576, E577, E578, E579, E580, E581, E582, E583, E584, E585, E586, E587, E588, E589, E590, E591, E592, E593, E594, E595, E596, E597, E598, E599, E600, E601, E602, E603, E604, E605, E606, E607, E608, E609, E610, E611, E612, E613, E614, E615, E616, E617, E618, E619, E620, E621, E622, E623, E624, E625, E626, E627, E628, E629, E630, E631, E632, E633, E634, E635, E636, E637, E638, E639, E640, E641, E642, E643, E644, E645, E646, E647, E648, E649, E650, E651, E652, E653, E654, E655, E656, E657, E658, E659, E660, E661, E662, E663, E664, E665, E666, E667, E668, E669, E670, E671, E672, E673, E674, E675, E676, E677, E678, E679, E680, E681, E682, E683, E684, E685, E686, E687, E688, E689, E690, E691, E692, E693, E694, E695, E696, E697, E698, E699, E700, E701, E702, E703, E704, E705, E706, E707, E708, E709, E710, E711, E712, E713, E714, E715, E716, E717, E718, E719, E720, E721, E722, E723, E724, E725, E726, E727, E728, E729, E730, E731, E732, E733, E734, E735, E736, E737, E738, E739, E740, E741, E742, E743, E744, E745, E746, E747, E748, E749, E750, E751, E752, E753, E754, E755, E756, E757, E758, E759, E760, E761, E762, E763, E764, E765, E766, E767, E768, E769, E770, E771, E772, E773, E774, E775, E776, E777, E778, E779, E780, E781, E782, E783, E784, E785, E786, E787, E788, E789, E790, E791, E792, E793, E794, E795, E796, E797, E798, E799, E800, E801, E802, E803, E804, E805, E806, E807, E808, E809, E810, E811, E812, E813, E814, E815, E816, E817, E818, E819, E820, E821, E822, E823, E824, E825, E826, E827, E828, E829, E830, E831, E832, E833, E834, E835, E836, E837, E838, E839, E840, E841, E842, E843, E844, E845, E846, E847, E848, E849, E850, E851, E852, E853, E854, E855, E856, E857, E858, E859, E860, E861, E862, E863, E864, E865, E866, E867, E868, E869, E870, E871, E872, E873, E874, E875, E876, E877, E878, E879, E880, E881, E882, E883, E884, E885, E886, E887, E888, E889, E890, E891, E892, E893, E894, E895, E896, E897, E898, E899, E900, E901, E902, E903, E904, E905, E906, E907, E908, E909, E910, E911, E912, E913, E914, E915, E916, E917, E918, E919, E920, E921, E922, E923, E924, E925, E926, E927, E928, E929, E930, E931, E932, E933, E934, E935, E936, E937, E938, E939, E940, E941, E942, E943, E944, E945, E946, E947, E948, E949, E950, E951, E952, E953, E954, E955, E956, E957, E958, E959, E960, E961, E962, E963, E964, E965, E966, E967, E968, E969, E970, E971, E972, E973, E974, E975, E976, E977, E978, E979, E980, E981, E982, E983, E984, E985, E986, E987, E988, E989, E990, E991, E992, E993, E994, E995, E996, E997, E998, E999, E1000.



Ingredients: Mushrooms, salt, water
Drained weight 110g
Product of China
Grocery Wholesalers
Cnr Dursley & Fairfield Rd Yennora NSW 2165

One of the group brought in this can of mushrooms (imported from China) to show us because she really liked the fact that the drained weight was stated on the can. We've been pushing for drained

weights to be declared on canned products for years, but it keeps falling on deaf ears. For more on the drained weight of canned foods see *Canned or conned?*, CHOICE, October 1997.



"I like this. It reminds people of what they should be doing."

It's good to see a nutrition information panel on foods that don't legally have to have one. "I know how much fat I'm getting. More biscuits should have that written on them."

Feeling misled — who can you call?

The state and territory health departments are responsible for enforcing food laws. And both the state Food Acts and the Commonwealth Trade Practices Act (administered by the Australian Competition and Consumer Commission (ACCC)) prohibit false and misleading information.

So you'd think this was a safety net for the consumer, but in reality nothing much is ever done about misleading labelling. The health departments don't have enough resources, so food labelling issues tend to take a back seat to public health and safety.

To get some focus on misleading and deceptive labelling, without compromising food safety, there need to be more resources for food inspection.

The ACCC has relatively limited resources as well. It sometimes deals with the most blatant breaches, but in general not with small case-by-case labelling problems.

Without proper enforcement at both the state and national level, any food labelling regulations will have little impact.

In the meantime, keep sending us your letters on the subject of food labelling — we'll draw attention to them where possible. Also, let the manufacturers know — consumer pressure may be one way of curbing misleading labelling.



Broken home

Building disputes produce horror stories on a scale unlike any other.

What can you do to avoid being caught up in one? And if you do wind up in a dispute, what steps can you take to resolve it?



IN BRIEF

■ Because they often involve someone's most valued asset, home building disputes have the dangerous potential to become much more than inconvenient glitches — they can turn into disruptive, traumatic and expensive affairs.

■ If you're preparing to launch a home building project — an extension, improvement or perhaps a new house — take every precaution you can to reduce the risk of ending up in a dispute. This article gives tips on how.

■ If you're unfortunate enough to have a dispute with your builder, proceed with extreme care. Make sure you understand the dispute resolution process in your state. Depending on the case, you may want to consider consulting a specialist solicitor.

YOUR HOME IS YOUR CASTLE. IT'S likely to be the single largest investment you'll ever make. Because of these strong attachments, a dispute involving home building — whether it's constructing a new one or improving what you already have — can become a tremendous financial and emotional burden.

We've put together some tips from the experts on how to reduce the risk of things going wrong — by looking at building contracts, credentials and references. We've also assembled some advice on what to do once a dispute does arise.

Reducing the risk: credentials and references

The risk of getting entangled in a dispute is going to depend, to some degree, on the builder you choose. Having a reputable, reliable and trustworthy builder is critical. So after you get at least three written quotes for the job, what should you look for?

Most states (not the NT or Tasmania) require builders to be licensed or registered if they're going to do work valued over a set amount, so you should check to see that the builder has the right credentials. In Queensland, you can also find out if a builder has been directed to rectify defective work in the past. And in NSW you can check to see if there are any current complaints against a builder. The table on page 14 gives full details of state licensing regulations.

Make a point of asking for and checking references. Have a look at the builder's past work, talk to the owners and ask questions. Did the builder stick to

schedule? Was there good supervision of subcontractors? Did defective work get fixed promptly? Was there good communication? Would the customer recommend the builder? You may even want to visit a current job site the builder is working on.

Depending on the value of the job, you should confirm that the builder has the proper insurance required by law (insurance is not required in the NT, but the builder should still have it). In most circumstances, this compulsory coverage will protect you against defective work. For more on this see *Methods of resolution*, right. Some consumer affairs offices recommend that owners check to see if the builder has public liability, all-risk and workers' compensation insurance as well. We agree.

While choosing a builder who is licensed, insured and even recommended won't guarantee things won't go wrong, it's a smart way to start such an important project. Do your homework before you sign a contract.

Reducing the risk: contracts

Many building disputes arise because people haven't examined the plans or contract in detail. Your expectations need to be realistic and clear.

Before you sign a contract, make certain that the work you want the builder to do has been fully and accurately spelled out, including the plans and specifications. You should have a very clear understanding of the quality of work you'll be getting for your money. Eliminate as much ambiguity as you can and do your best to place your vision on paper. Also, don't rely on verbal promises or agreement — get it in writing.

Other tips about contracts:

■ If there's a compulsory arbitration clause in the contract, cross it out. Arbitration has a reputation for being expensive. Avoid it.

■ If there's a caveat clause in the contract, make sure you understand its implications. It allows the builder to place a caveat on the title to the property if the owner doesn't pay. It can impede the owner's ability to sell the property or use it as security to get a loan. Some states limit the use of caveats — for instance by requiring a court order to prove that it's warranted.

■ Ask your state consumer affairs office if it provides its own building contract. It might have a simple, plain-English version you can ask the builder to use — see right for an example.

■ If you're unsure about any aspect in the contract, don't sign it. Consult a specialist building solicitor.

Reducing the risk: monitoring the work

Once construction's under way, regularly check the progress of the work. If you want to change something ('make a variation' to the contract), put it in writing and make sure it's signed by yourself and the builder.

Throughout the course of the contract, keep written records of any discussions you have with any individuals involved with the construction, and always maintain communication with the builder. Also,

keep copies of all documents and receipts in case of a dispute.

Resolving a dispute

The process for resolving a building dispute will depend on where you live and the size and nature of the problem. The contract you sign may also stipulate certain resolution procedures. Because the resolution processes vary so widely between the states, we can only give general guidelines on some of the different methods used to settle these matters.

That said, every state shares the same first step for solving a building dispute: talk it over. Meet with the builder and point out your concerns — it may only be a simple misunderstanding.

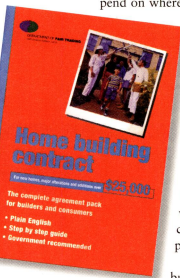
If you're not satisfied with the builder's response, put your complaint in writing and submit it to them. If you don't receive a satisfactory response after a reasonable period of time — say, 10 or 14 working days — take the matter to your consumer affairs or fair trading office.

This is where things get complicated. Depending on where you live, you'll be directed along a path that will usually involve a number of escalating steps designed to settle the dispute. Make sure you familiarise yourself with the entire process at the outset. For a look at some of the common elements for dispute resolution, see *Methods of resolution*, below.

Going to an expert

Don't underestimate the potential for a building dispute to become an expensive and prolonged headache. Odds are the problem will be resolved over a quick chat with the builder or through some form of informal mediation. But if it's not, you should proceed very carefully — don't take chances.

Depending on the nature of the dispute, you may want to consider consulting an experienced building inspector (look in the Yellow Pages under 'building consultants') or specialist solicitor. Most state law societies will provide references — in the ACT and NT, you'll have to call around to some of the larger law firms and ask.



Methods of resolution

Depending on where you live, the type of building dispute you have and the provisions of the contract (it might stipulate a certain resolution process), you'll be directed along a reconciliation path that will probably entail one or more of the following:

■ **Mediation:** Most state consumer affairs or fair trading offices will begin by trying to mediate between the parties — an informal and relatively inexpensive method. Depending on the nature of the dispute, some may send an inspector to the site. If you're in Victoria or SA you'll have to pay for the inspection (about \$300). If the builder belongs to an industry association, it may have its own complaints committee that could mediate the dispute.

■ **Tribunals:** Queensland, WA, NSW and Victoria have special tribunals or committees that handle building disputes. In most cases, you'll have to pay a small fee and present your own case.

■ **Insurance:** Throughout the whole of Australia (except the NT) builders must take out indemnity insurance for work over a certain value, and the insurance company could also be a recourse, especially if you're claiming

defective or unfinished work. Check and make a note of the details of your builder's insurer *before* you sign the contract.

However, in two states — WA and SA — the insurance will cover defective and incomplete work only if the builder dies, disappears or becomes insolvent. In these states, you're more likely to take a dispute over defective work through the government's resolution process or to court.

In Tasmania, on the other hand, consumers are advised to take the dispute to the insurer almost straightaway.

■ **Arbitration:** Arbitration has become much more expensive and legalistic than it was ever intended to be. With the possibility of having to pay fees for solicitors, consultants and expert witnesses, it can be as costly as going to court.

Anyone can act as an arbitrator, but the contract you sign may require the arbitrator to be appointed by an industry body. In some states, compulsory arbitration in residential building contracts is outlawed (see the table overleaf for details).

As noted above, where possible avoid a contract that has a compulsory arbitration clause.



BUILDING DISPUTES RESOLUTION

Licensing, contracts and insurance

	ACT	NSW	NT	Qld	SA	Tas	Vic	WA
BUILDER LICENSING / REGISTRATION								
Are builders required to be licensed/registered?	Licensed	Licensed	Neither	Licensed	Licensed	Neither	Registered	Registered (L)
Over what value of building work must they be licensed/registered?	(A)	\$200 (B)	na	\$500	(H)	na	\$5000	\$10,000
HOME BUILDING CONTRACTS								
Are written contracts required for residential building work?	No	Yes	No	Yes	Yes	No	Yes	Yes
At what value are written contracts required?	na	\$200 (B)	na	\$3000	\$5000	na	\$5000	\$6000 (M)
Is compulsory arbitration outlawed?	No	Yes	No	Yes	No	No	Yes	No
Does the Department of Consumer Affairs/Fair Trading issue its own standard building contract?	No	Yes	No	Yes (E)	No	No	No	No
HOUSING INDEMNITY INSURANCE								
Compulsory for building work worth more than	\$5000	\$5000	(D)	\$3000	\$5000 (J)	\$5000	\$5000	\$10,000
At a minimum, the insurance must cover a claim up to	\$85,000	\$200,000 (C)	\$80,000	\$100,000 (F)	\$80,000	\$50,000	\$100,000	\$100,000
Excess (minimum claim)	\$500	\$500	\$500	none	\$400	\$500	Rises from \$0 to \$1000	\$500 (N)
Warranty period (from completion)	5 years	7 years	5 years	6.5 years (G)	5 years	6 years	6.5 years	6 years
Covers defective work	Yes	Yes	Yes	Yes	Yes (K)	Yes	Yes	Yes (K)

na Not applicable.

(A) Builders must be licensed for most building work; exceptions include decks and sheds of certain dimensions.

(B) For labour component of the cost value only.

(C) Indexed to the CPI for project homes.

(D) Building insurance is not compulsory in the NT.

(E) Issued by the Building Services Authority.

(F) Includes up to \$5000 for rent assistance and furniture, where appropriate.

(G) There is a six-month limit on claims for cosmetic problems.

(H) Must be licensed regardless of contract value.

(J) Also requires council approval.

(K) However, a claim can only be made when the builder dies, disappears or becomes insolvent.

(L) Except in certain areas of WA.

(M) Written contracts are required for residential building work between \$6000 and \$200,000 — but not for those worth less or more.

(N) Doesn't apply to non-completion claims.

QUALITY OF WORKMANSHIP



Paul and Margaret were impressed by the design and quality of the display home being exhibited by a project home builder. They liked it so much they decided to have one built for about \$200,000 on the NSW Central Coast.

Several months into construction, Paul noticed that the brickwork around two windows looked shoddy and uneven. The work had been done by subcontractors hired by the builder, but Paul was troubled because he felt the builder rarely came to inspect their work or supervise construction.

When he brought this problem to the builder's attention, Paul was told that the brickwork was up to standard — if he wanted it redone it would cost an extra \$2000.

Convinced that the work was unacceptable, Paul filed a complaint with the Department of Fair Trading which, in turn, tried to arrange a mediation hearing.

When the builder refused to attend, the Department recommended that Paul

hire an independent building consultant to inspect the work.

For \$300, a consultant assessed the work in its entirety and found it to be "of an unsatisfactory standard". In particular, the consultant determined that the brickwork — all of it — would have to be relaid. Some of the walls simply weren't standing straight.

When the builder disputed the consultant's assessment — he'd had another consultant verify that the work was OK — Paul terminated the contract and submitted a claim under the Department of Fair Trading's insurance scheme (building insurance in NSW has since been privatised).

After sending its own inspector to the house and then reviewing three quotations to rectify and complete construction, the Department awarded Paul \$100,000 — the maximum under its insurance scheme at the time.

But because it will cost about \$159,000 to finish the house, Paul has lodged a claim with the Building Disputes Tribunal in order to force the builder to reimburse him for the amount not covered by the award, and for the rent he and his family have had to pay during the delay.

While he's waiting for a tribunal hearing, rectification work has begun. All the bricks — nearly 17,000 — are being pulled down and the house is finally edging towards completion.

Who do I call?

To check whether the builder is licensed or registered:

■ **ACT:** The licensing unit of Building, Electrical and Plumbing Control (BEPCON) on (02) 6207 6309.

■ **NSW:** The Department of Fair Trading on 13 32 20.

■ **Queensland:** The Building Services Authority (BSA) on (07) 3225 2855.

■ **SA:** Office of Consumer and Business Affairs on (08) 8204 9644.

■ **Victoria:** The Building Practitioners Board on 1300 360 320.

■ **WA:** The Builders Registration Board on (08) 9321 6891.

To check on the builder's compulsory insurance coverage:

■ **NSW, NT, SA, Tasmania and WA:** The consumer should see the insurance certificate and call the company to check.

■ **ACT:** BEPCON's northern regional office on (02) 6207 6262, or its southern regional office on (02) 6207 6277.

■ **Queensland:** BSA on (07) 3225 2855.

■ **Victoria:** The Building Practitioners Board on 1300 360 320.

Laundry detergents

— are your suds duds?

Premium brands generally outperform cheaper ones, although some cheapies do provide a good wash at lower cost — but check our results for which ones are worth a try.

IN THIS ARTICLE

- Test results and cost per wash for 50 powder and powder concentrate detergents (page 19).
- The truth about detergent-free laundry balls and other similar devices (page 16).
- Do 'coloursafe' detergents really protect your coloured clothes from fading? Page 17.
- How to wash with minimal environmental impact (page 18).



WITH A MULTITUDE OF DETERGENTS on the supermarket shelves, you could easily find yourself on spin cycle trying to make the right choice.

To find out which brands wash effectively for a reasonable cost, we put 50 powders and powder concentrates to the test. We also included some novel 'laundry ball' products that are increasingly being promoted as alternatives to detergents. But see *Not what they're cracked up to be* on page 16 for the facts.

Past CHOICE tests have shown that laundry liquids generally don't wash as well as powders or powder concentrates. They also hold only a relatively small market share. So we decided not to include them in this test.

Relatively new on the market are specially formulated 'coloursafe' products. We looked at how two examples lived up to the hype — and the results were very disappointing (see *Colourful claims* on page 17).

Top-loader detergents are often claimed to be suitable for front-loading machines — we put this to the test too, and found good news for owners of front loaders (see *Versatile powders* on page 16).

Several 'green' detergents were included in our test — and all performed relatively poorly. In *Green clean* on page 18 we look at how 'green' they really are.

Testing times

Our cold-water (20°C) washing test involves attaching many small pieces of uniformly soiled fabrics, called 'swatches', to a light load of typical laundry items. We measure how much dirt the detergents remove from the swatches — and also how well they keep it in the water and off your clothes — with a sensitive electronic 'eye' (a spectrophotometer).

We then convert the 'eye' measurements into washing performance scores. Our electronic eye sees more dirt than the human kind — so as a general guide, a difference in the washing performance score of about 6% means that the detergents have visibly different cleaning power. Check the table on page 19 to see how your brand stacks up.

Dud suds?

Our tests found some brands you're likely to be particularly disappointed with: AWARE, BLACK & GOLD Super concentrate, HLD Phosphate-free and PLANET ARK. These scored 64 – 66% for washing performance. Compared to our top score (92%) and the cleaning power of humble cold water (which scored 55%), they failed to impress. See the photo on page 17 for the evidence.

LAUNDRY DETERGENTS

WHAT TO BUY

■ **For top loaders:** If you wash lots of whites and demand the best possible performance, you'll want to choose one of the top detergents.

Best overall
DRIVE

Strong performers

DRIVE Power concentrate; **BIO ZET Wonderful**; **OMO Micro** (concentrate); **RADIANT XL** (concentrate); **RADIANT XL Color concentrate**

Good value

DUO (concentrate) @ 25 cents per wash
BIO ZET Concentrate @ 28 cents per wash

■ **For front loaders:** See *Versatile powders*, right, for an alternative to buying a specially formulated detergent for your front loader.

Best overall

OMO Matic

Strong performers

COLD POWER Matic; **DYNAMO ULTRA Matic** (concentrate); **EXCEL Matic** (concentrate)

Good value

OMO Matic Concentrate @ 31 cents per wash

Cheap, but not nasty

Particularly if you wash mainly coloured clothes, **NO NAME**, **BUSHLAND**, **HOMEBRAND** powder and **HURRICANE Super concentrate** washed reasonably well (71 – 72%) and are a bargain at just 14 to 18 cents per wash.

Versatile powders

Powders specially formulated for front-loading washing machines are generally more expensive than top-loader detergents. Since 26 of the 44 top-loader detergents we tested said they were also suitable for front loaders, we wondered if money could be saved.

It would have taken too long to check all top-loader detergents making this claim, so we tested just three to get an indication of the truth behind these claims: one good, one mediocre and one poor performer in a top loader.

Experiment and save

These three detergents achieved very much the same washing performance scores in a front loader as they did in a top-loading machine.

In fact, the 'good' performer we chose scored roughly the same as the best of the specially formulated front-loader detergents.

So a high-scoring top-loading detergent that says it can be used in front loaders should also perform well in these machines. If you own a front loader, try some of them — and save money.

Unfortunately, some washing machine manufacturers still insist on specifying the use of particular brands of specially formulated detergent, or else the warranty becomes void. If your machine is still in its warranty period, check to see if this irritating restriction on your right to choose applies to you before you experiment.

Not what they're cracked up to be...

You might have seen a 'laundry ball' type of product being promoted in catalogues, on TV or even via the Internet. They promise freedom from detergents, offer huge savings, claim to last for up to thousands of washes and that they're good for the environment too.

These products are typically plastic balls or discs containing ceramic beads and/or a blue liquid as the 'active' washing ingredients.

Since our last detergent test, **CHOICE** Consumer Information has received many requests for information on these products —

so we were very keen to include some of them in our testing and give you the facts.

In theory ...

One product's promotional material says, "By manipulating the electric fields associated with hydrogen and oxygen atoms, solid crystals are formed in the shape of electrical keys. These keys fit into locks and bonds on other compounds to dissolve away dirt much like the action of enzymes in the human digestive system."

A bit fanciful?

... and in fact

Our results speak for themselves. We tested three of these products — all washed essentially no better than plain water. They scored 56 – 57% compared to cold water's 55% for washing performance.

Beware of the 'laundry ball' and similar products — save your money.

Swatches washed with laundry balls (the bottom three groups) that contain no detergent weren't visibly cleaner than those washed in cold water (second from top). And they were a far cry from the results from our best performer (top).



Colourful claims

Six of the detergents we bought stated they were 'coloursafe'. We decided it was worth checking if these products were really better for your coloured clothes. So where a regular detergent powder also had a specially formulated 'coloursafe' variant, we compared the fading performance of the two.

The only pair of products we found in Australia was **RADIANT XL Color concentrate** and its regular equivalent **RADIANT XL Concentrate**.

We washed new black cotton shirts, blue denim jeans and red cotton T-shirts in warm water on a heavy-duty wash cycle (a tough wash scenario) 16 times using the 'coloursafe' detergent and its 'non-coloursafe' equivalent.

What a wash out

RADIANT XL Color concentrate and regular **RADIANT XL Concentrate** faded the blue jeans and red T-shirts equally — but the colour concentrate was much harsher on the black shirt than the regular **RADIANT XL**. We found similar results for a 'pair' of detergents you can't buy in Australia, which we



In the photos, the top garment was washed with **Radiant XL Concentrate** and the next with **Radiant XL Color Concentrate**. The middle garment is unwashed, followed by the NZ detergents — first regular, then 'coloursafe'.

tested for our New Zealand counterparts.

While we only had these two 'pairs' to compare for fading performance, our test results are cause for concern that consumers aren't getting what they're paying for. The manufacturers need to improve these products to ensure they deliver the performance promised.

What's in a detergent and how does it wash?

■ **Soaps and detergents** clean largely by the action of a class of compounds called **surfactants**. Their unique chemical structure resembles a tadpole and makes them 'surface active' — able to reduce the surface tension of water so that non-wettable surfaces can be wet. The 'heads' of these molecules love water but the 'tails' don't; they prefer to bury themselves in dirt and grime — eventually surrounding the blobs of dirt and loosening them from the fabric. Hand or machine agitation helps pull the dirt free.

■ **Builders:** These improve detergent performance by neutralising the calcium and magnesium ions that cause water hardness and interfere with the surfactant action. Builders also help tie up the dirt, preventing it from redepositing onto your washing. The best-known builder is a phosphate (sodium tripolyphosphate, which you may come across as STPP). This has been associated with algal blooms in Australia's rivers (see *Green clean* on page 18).

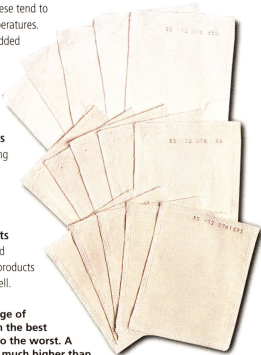
■ **Enzymes:** These 'eat' stains. The most common are proteases, which break down protein-based stains such as egg and grass. Lipase, which digests fat, is another enzyme that may be used in detergents. Enzymes tend to work better in warmer water.

■ **Bleaching agents:** These attack stains by releasing oxygen in an active form which breaks them down, making it easier for the surfactants to lift them away. Common

ones are sodium perborate and sodium percarbonate. Like enzymes, these tend to work best at higher wash temperatures.

■ **Fluorescents:** These are added to give your washing a whiter-than-white look. They work by absorbing ultraviolet light and re-emitting it as blue light.

■ **Other ingredients:** Fillers are added to help control dosing of active ingredients and to make the powder free-flowing — there's less in concentrates, which may be better for the environment. **Cosmetic agents** include fragrances and coloured granules. They're used to give products a distinctive appearance or smell.



You can clearly see the range of washing performance from the best performers (top) through to the worst. A few detergents scored not much higher than cold water on its own — see *Dud Suds?* on page 15 for details.

LAUNDRY DETERGENTS

Toxic update

A recent Australian study by the Centre for Ecotoxicology looked at the toxicity of 20

Australian detergents to a species of 'water flea' known as *daphnians*. Water fleas were chosen for the study because they're sensitive organisms, representative of the animals that graze on algae and help to prevent toxic algal blooms. The study classed 15 of the detergents as having 'low toxicity' and the remaining five as having 'medium toxicity'.

The study also showed that 'green' and phosphate-free detergents were just as likely to be as toxic as regular detergents.

Green clean

Washing your laundry always has some negative impacts on the environment — but there are steps you can take to reduce some of them.

Cold vs warm water

Making the switch to cold-water washing could reduce your energy costs by up to \$70 per year (based on washing every day in a top-loading machine) — and cut your output of greenhouse gases too. But will going over to cold water mean you have to compromise on washing performance?

Not if you choose the right detergent. Our test found many good cold-wash performers, and when we tested a range of detergents for the Hong Kong Consumer Council in 1996, we found that good detergents didn't improve when used in warm water — only poor detergents improved slightly.

Other things you can do are:

- Consider buying a front loader when it's time to replace your top loader — they're more water and energy-efficient.
- Don't waste water; choose the water level to match your wash load.
- If you use liquids, buy refills where possible to cut down on packaging.
- Use the amount of detergent specified by the manufacturer — don't overdose.

■ Consider a concentrate. They require smaller doses, so fewer chemicals reach the sewerage system.

A pale shade of 'green'?

Want the best for the environment? A 'green' detergent may only help slightly, if at all — and

If you decide to go phosphate-free, you don't have to buy 'green' to get a phosphate-free detergent — just look for an 'NP' symbol on check our table.

you'll probably have to compromise on washing performance.

Three 'green' detergents were included in our tests — **HERBON, PLANET ARK and AWARE**. All state they're biodegradable and contain non-petrochemically derived surfactants (which are claimed to biodegrade faster). **PLANET ARK and AWARE** also say they're phosphate-free. However, just how much 'greener' all this makes them is hard to tell, given the complexity of environmental issues.

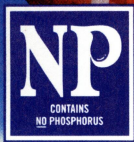
■ **Biodegradability** is the ability of chemicals to break down naturally in the environment. All Australian detergents are required to be biodegradable to some extent — most claim they meet the current Australian standard. But the standard only looks at the degradation of the original surfactant and only requires 80% of it to degrade in a specified time — nothing is said about the other ingredients or what's produced when it breaks down.

Two of the three 'green' products claim their plant-derived surfactant is biodegradable under the more stringent OECD guidelines 301A and 301E. But no mention is made of the other ingredients — so whether these 'green' detergents are more biodegradable than regular detergents is a moot point.

■ **Phosphate-free** is perhaps the loudest and most common environmental claim made by 'green' detergents. But expert opinion on the environmental impact of phosphates from detergents is divided.

The danger posed to Australia's inland waterways by eutrophication — the excessive growth of blue-green algae which can choke rivers and destroy aquatic life — is linked to phosphates. This is undisputed. But just what is the most effective way to prevent eutrophication remains a difficult question.

Some experts say the removal of phosphate from detergents on its own is not going to stop eutrophication, as non-detergent sources account for the largest proportion of the phosphorus that ends up in Australia's inland waters. Others believe that if waste water is discharged inland, reducing the level of phosphate in detergents can help.



1 Type

P — Powder.

C — Powder concentrate.

B — Laundry ball.

2 Also OK for front loaders

Front-loading washing machines use less energy and water, but they need a low-sudsing detergent. If the package doesn't say "suitable for front loaders" or suggest dosage for them, don't use the detergent in a front-loading machine.

3 Low or no phosphorus

A tick in this column indicates that the detergent has a phosphorus content of 0.5% or less (equivalent to the 'NP' symbol used by most

major manufacturers). Where this information wasn't given on the packet, we analysed the detergent for phosphorus content.

4 Contains enzymes

We asked manufacturers for this information and checked the packaging. Detergents with enzymes are best avoided by people with sensitive skin.

5 Cost per wash

We calculated how many washes it was possible to get from each pack of detergent if you follow the manufacturer's recommended dosage. We then found the most representative price of each detergent by collecting prices all over Australia, and calculated the average cost per

wash — but always check your local supermarket for detergents on special.

6 Relative washing performance

Each detergent was used to wash specially soiled cotton and polycotton swatches at the lowest dose specified for a normal load. The dirt removal was scored, and this score made up two-thirds of the performance score. The other one-third of the score was allocated to special swatches designed to measure whiteness retention (how well the detergent kept dirt in suspension). We repeated these tests three times for each detergent.

The results were compared with 'best wash' swatches to give 'relative washing performance'. These swatches were prepared by washing them six times in good-quality detergent.

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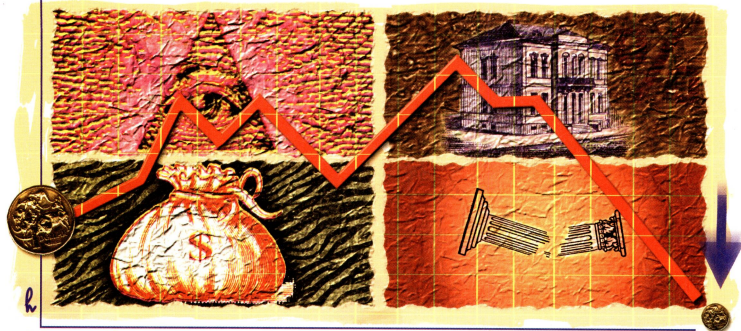


Brand	Type	Manufacturer / distributor	Origin	Also OK for front loaders	Low or no phosphorus	Contains enzymes	Packet size costed (kg)*	Most representative survey price (\$)*	Cost per wash (cents)*	Relative washing performance score (%)
FOR FRONT LOADERS ONLY										
OMO Matic	P	Lever Rexona	NZ	na	✓		1	4.98	62	88
COLD POWER Matic	P	Colgate-Palmolive	Australia	na			1	4.99	42	78
OMO Matic Concentrate powder	C	Lever Rexona	Australia	na			0.75	3.99	31	78
DYNAMO ULTRA Matic	C	Colgate-Palmolive	Australia	na			0.75	3.99	36	77
EXCEL Matic	C	Campbell Consumer Products	Australia	na			1	4.62	39	77
DOMINANT Front loader	P	Dominant	Australia	na	✓	✓	2	20.75	25	72
FOR TOP LOADERS (unless specified as also OK for front loaders)										
DRIVE	P	Lever Rexona	NZ			✓	1	5.28	53	92
DRIVE Power concentrate	C	Lever Rexona	NZ			✓	0.75	4.29	39	90
BIO ZET Wonderful	P	Kao	Singapore		✓		1.5	5.99	60	88
OMO Micro	C	Lever Rexona	NZ			✓	0.75	3.99	31	87
RADIANT XL	C	Cussons	Australia	✓		✓	1	6.17	39	87
RADIANT XL Color concentrate	C	Cussons	Australia	✓		✓	1	6.17	36	87
DUO	C	Cussons/United Laboratories	Australia	✓			0.75	2.99	25	86
BIO ZET Concentrate	C	Kao	Taiwan	✓	✓	✓	0.75	4.99	28	85
DYNAMO Ultra	C	Colgate-Palmolive	Australia				0.75	3.99	29	82
DYNAMO	P	Colgate-Palmolive	Australia				1	4.99	55	80
HOME BRAND Concentrated	C	Woolworths	Australia	✓			1	2.60	37	80
AMWAY SA8	C	Amway	USA	✓	✓	✓	0.75	16.70	43	79
COLD POWER	P	Colgate-Palmolive	Australia				1	4.99	62	79
OMO	P	Lever Rexona	NZ				1	4.98	50	79
COLD POWER Ultra concentrate	C	Colgate-Palmolive	Australia				0.75	3.98	28	78
DOMINANT	P	Dominant	Australia	✓			2	19.40	52	78
OMO Sensitive	P	Lever Rexona	NZ					4.98	50	78
SOUL PATTINSON	P	Soul Pattinson	Australia	✓			1	2.25	28	78
SPREE	P	Colgate-Palmolive	Australia				1	2.97	37	78
GOW'S BIO CLEAN	P	Colgate-Palmolive	Australia				1	1.98	28	77
HURRICANE	P	Campbell Consumer Products	Australia	✓	✓		1	2.20	28	77
SURF	P	Lever Rexona	NZ				1	3.18	35	77
FAB TOTAL	P	Colgate-Palmolive	Australia				1	4.99	62	76
GOW'S BIO CLEAN Ultra	C	Colgate-Palmolive	Australia				0.75	2.68	27	76
REDHEADS	C	Bryant and May	Australia	✓			0.75	3.99	31 (A)	76
SAVINGS	P	Coles, Farmland	Australia	✓	✓		1.5	2.36	39	76
SURF Concentrate	C	Lever Rexona	NZ				0.75	2.99	30	76
FAB TOTAL Ultra	C	Colgate-Palmolive	Australia			✓	0.75	3.99	29	75
BI LO	P	Bi Lo	Australia	✓	✓		1	1.50	38	74
SAVINGS Concentrated	C	Coles, Farmland	Australia	✓			1	2.48	31	74
BLACK & GOLD	P	Independent supermarkets	Australia	✓	✓		1	2.45	31	72
NO NAME	P	Jewel	Australia	✓	✓		2	2.78	16	72
BUSHLAND	P	Campbell Consumer Products	Australia	✓	✓		2	3.49	14	71
HOME BRAND	P	Woolworths	Australia				1.5	2.36	18	71
HURRICANE Super concentrate	C	Campbell Consumer Products	Australia	✓	✓		1	2.97	17	71
BI LO Concentrated	C	Bi Lo	Australia	✓			1	2.49	23	70
HERBON	P	Herbon Natural Products	Australia				1	8.20	55	70
DOMINANT Phosphate-free	P	Dominant	Australia	✓	✓	✓	2	19.40	20	69
NO FRILLS	P	Franklins	Australia	✓	✓		2	2.78	16	69
SPREE Ultra	C	Colgate-Palmolive	Australia				0.75	2.77	18	69
HLD Phosphate-free	P	Swipe Australia	Australia	✓	✓	✓	2.5	28.00	25	66
PLANET ARK	C	Planet Ark	Australia	✓	✓		0.75	4.89	31 (A)	66
BLACK & GOLD Super concentrate	C	Independent supermarkets	Australia	✓	✓		1	2.70	14	65
AWARE	C	Bionomics Australia	Australia	✓	✓		0.75	3.79	25	64
LAUNDRY BALL — Unbranded 1	B	Not applicable	na	✓	na	na	na	na	na	57
LAUNDRY BALL — Unbranded 2	B	Not applicable	na	✓	na	na	na	na	na	56
THE LAUNDRY SOLUTION	B	Trade Net	USA	✓	na	na	na	150	10	56
COLD WATER	na	Not applicable	na	na	na	na	na	na	na	55

na Not applicable

(A) Manufacturer says the price has now dropped.

* See note 5, page 18, for details of how we priced the detergents.



Learning from financial disasters

Financial collapses have been with us ever since markets moved out of caves. The last decade in particular has seen a raft of financial disasters for investors. We explain the lessons learnt and the warning signs of potential pitfalls so you can better understand how secure — or risky — your savings and investments are.

IN BRIEF

■ Investment will always entail risk, and the safer your money is, the less likely it is to pay you high profits.

■ If your investment collapses, there are legal processes or dispute resolution schemes which may help you recoup your money — though unfortunately often not all of it.

■ Pyramid Building Society, Estate Mortgage, Excelsior and EC Consolidated Capital all failed in different ways. We explain what went wrong and what's to be learnt from it.

■ Words in bold are explained in *What does it all mean?* on page 23.

IT'S NOT SURPRISING PEOPLE ARE worried about the safety of their money. With endless media reports of dodgy investment schemes, bankrupt company directors and share price dives, it may just seem simpler to keep your money in the bank.

But even that's not as secure as you may think. Many people assume that deposits in savings bank accounts, credit unions and building societies are backed by government guarantee. But there's no law that promises this, although depositors in these institutions do have priority over all other liabilities.

So can you put your money anywhere and be certain you'll see it again?

The simple answer is no, especially when you move from simple savings accounts to investments. Nothing is absolutely safe, though some investments are obviously more secure than others. Unfortunately, these generally pay you less in the long term.

Before you invest

Warning, warning, warning

The warning from many long-time watchers of investment markets is that whenever high returns are trumpeted in an investment promotion, high risk will always accompany it.

This advice is particularly important when interest rates are low and so returns from usually secure products, such as term deposits, are minimal. People may be keen to chase higher returns from different investments, without being fully aware of the extra risks involved.

In many cases where people's investments have lost substantial value and they hadn't realised this could happen, it's because they hadn't understood the risky nature of the investment.

It's important to understand that risk can be defined in different ways in investment. On the one hand, shares are riskier than a bank term deposit because you could lose all your money in them. However, if

(Continued on page 23)

Say goodbye to your money?

The Asian currency crisis we've experienced in the last few months, bond and sharemarket slides, unlisted property trust losses ... each of these is a story in itself.

The four case studies we detail in this article are all very different — but one thing they do share is the drawn-out nature of legal redress. Putting your money in is always easy — getting it back if there's a problem can be a lot more frustrating.

So what can you learn from these disastrous investments?

■ In some cases, like the **Pyramid Building Society** (see below), negligence on the part of the group's accountants, auditors and **trustees** allowed the directors to mislead investors. If the people keeping financial tabs on a company don't do their job properly, how are ordinary investors expected to know? However, there is now much more effective **prudential standard** regulation of building societies, including on-the-spot checks and quarterly reports.

■ The **EC Consolidated Capital** case (page 24) illustrates the need for a clear understanding of what your financial adviser, accountant or life agent is recommending; and for confidence that their advice isn't influenced by the fat commission they'll earn, rather than by your needs.

■ The chaos of the former **Excelsior Superannuation Fund** (page 23) shows how inadequate administrative and computer software systems can leave you up in the air about your investments.

■ **Estate Mortgage** (page 22) is also rich with warnings for investors, including treating the marketing promises of fund managers with healthy scepticism.

As with all these cases, the best advice for investors is to understand the investment product they're buying and recognise that wherever there is greater complexity, greater risk follows.

And even with all the available information at hand and the best financial adviser in the world, 'buyer beware' should still ring loudly in an investor's ears.

Example 1:

Pyramid Building Society

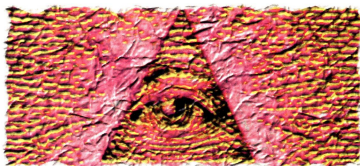
Pyramid Building Society devastated thousands of people when it collapsed, and its very name is practically a byword for failure.

Established in 1959 by Bob Farrow, by 1989 Pyramid was part of the Farrow Group (containing the Geelong and Countrywide building societies as well) and had assets totalling \$2.6 billion. Out of this, \$1.6 billion was in deposits from more than 200,000 people. But a loss of confidence in the group saw people rush to withdraw their money and Pyramid was placed in **liquidation** in June 1990.

The reasons leading up to Pyramid's failure were complex. Frightened by the 1987 sharemarket collapse, many people started putting their money into 'safe' investments. Pyramid looked attractive because it was an apparently safe building society offering interest rates about 1% above its competitors at the time. But the property market also fell apart in 1989, and Pyramid was affected because it had moved from traditional residential financing to providing large loans to speculative property developers.

By doing this, Pyramid hadn't adhered to regulations that limited the kinds of investments building societies were allowed to make (only lending to borrowers with concrete assets, for example). And its directors exaggerated the group's cash reserve levels, thus delaying any action that might have been taken earlier by regulators.

From 1990 onwards the sad drama was played out in court as legal suits flew between the Victorian



Government, individual shareholders and depositors, and the Reserve Bank.

The Victorian Government was blamed for failing to establish a properly resourced registrar's office, while the registrar's office was criticised for its failure to detect breaches of the Building Societies Act. The liquidator also found the auditors, accountants and trustees should have done more checking on the group's finances.

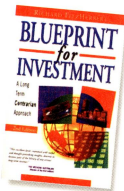
Over five years after the collapse Bill Farrow was fined \$50,000 and convicted for, among other things, breaching his **fiduciary** duties.

While Pyramid is one of the most notorious financial failures in recent Australian history, it did help spark reform of building society regulation. This came too late for most of its depositors who, by July last year, in a settlement with the group's former auditors, recovered only 40 cents for every dollar they'd invested.

Some depositors were lucky enough to have lent to the group through **debentures**, and the ASC took civil action that recovered \$15 million for them through financial advisers associated with the prospectus.

TIP

There are many traps for the unwary and it's advisable to educate yourself if you're planning any investment decision beyond simple savings. Reliable information is the first step and there are several independently written books available from CHOICE which may help. You'll find *Blueprint for Investment* in the CHOICE Books catalogue you received with this issue, and more in *Consumer Bookshelf* in other issues of CHOICE.



Example 2: Estate Mortgage

As the biggest manager of mortgage trusts in the country nine years ago, Estate Mortgage seemed safe enough for 52,000 small investors to entrust it with \$700 million of their savings.

While the trusts were promoted as investing in secure mortgages over income-producing properties, much of the trust funds ended up in more speculative construction and development loans.

Some investors started to lose confidence in Estate Mortgage at the beginning of 1990, when it failed to pay its December-quarter income distribution on time. Unfavourable media reports resulted in a run on funds that saw investors drain \$140 million out of the Estate Mortgage trusts in the next three months. The trusts were frozen in April 1990.

An independent report revealed that a significant proportion of the trusts' money was invested in loans that were unlikely to be repaid. In June the trustee removed Estate Mortgage as manager of the trusts and after a formal investigation by the Victorian Corporate Affairs Commission, it was sacked.

While the six trusts in Estate Mortgage were restructured and renamed the Meridian Investment Trust in December 1993, the long and messy legal wrangling over

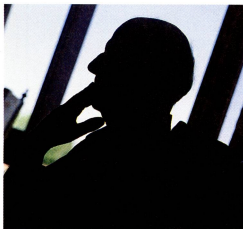


the case continued. New managers and trustees were appointed to try and resolve the fiasco, which involved discharging or selling mortgages and settling past accounting and tax issues.

As in the Pyramid case, investors in Estate Mortgage were not aware of the make-up of the trusts' portfolios — the high level of mortgages in default, cross-investment between trusts and the high percentage of loans to developments. Two of its former directors, Richard and Reuben Lew, were convicted for breaches of director's duties, sentenced to prison and never allowed to work as investment advisers again.

This may have been small comfort to Estate Mortgage investors. By the end of last year (after 1100 of the original unitholders had died), they had recovered in a settlement with the trustee between 40 cents and 70 cents for each dollar they had invested, depending on which of the trusts they'd originally held money in.

NO BITTERNESS ON THE BREADLINE



Henry Oldham (not his real name), of Tuart Hill, WA, has worked hard all his life. In 1984, he retired when he was made redundant from his job as a maintenance supervisor on a BHP iron ore mine after 34 years with the company.

He collected a redundancy and super payout of \$220,000, and on the advice of a financial adviser from a reputable firm invested this amount, his entire life savings, with Estate Mortgage.

"The financial adviser was a decent chap and everything he said made sense to me. And the company, BHP,

allowed this bloke to come onto the workplace several times over a few months to give advice to those with redundancy payouts, so even they must have thought he was all right," Henry, now 77, says.

Five years later, in 1990, he learnt that Estate Mortgage had gone into receivership. He was disturbed but, buoyed by the Estate Mortgage Fighting Fund, which was established to monitor and support those affected by the collapse, thought that eventually he'd get his money back.

With no other income, Henry, as a former soldier and engine fitter in World War II, had to apply for a Veterans' Affairs Service Pension, which he received along with a 70% war disability allowance.

However, the Department of Veterans' Affairs maintained the units he owned in Estate Mortgage (now Meridian) were financial assets under the means test. Although Henry has not drawn one cent from these 'assets', his pension has been docked accordingly (around \$40 a fortnight).

His confidence that he'd see his money again began to fade when the Meridian trustee, Burns Philp, ran into its own difficulties last year. The \$700 million he and the remaining unitholders were expecting to be divided among them began to look a little optimistic.

However, so far Henry says he's been guaranteed two payments of \$2900 this year and one at the beginning of next year. He's not going to do anything about trying to sell his units until he has a clear idea of the amount he'll finally receive.

Despite all the difficulties his Estate Mortgage investment has caused him, Henry seems surprisingly untouched by it. If he had his time over again, would he have done anything differently? "No. I knew nothing about investing. I never had any clues about it. In fact, if the [financial adviser] hadn't come to see me, I probably would have just left the money in the bank."

(From page 20)

a 25-year-old worker devised a long-term super plan based on term deposits, the risk would be that the money simply wouldn't grow enough in such a low-returning investment to provide them with the money they'll need for retirement.

If they were 65, on the other hand, they could find the reverse was true — they wouldn't have enough investment time available to risk investing in shares and then hitting a low point in the sharemarket. It all depends on the time lines you're working in and your investment needs. And it's important not to confuse your personal level of acceptable risk (based on your age, needs, lifestyle, etc) with the risk involved in the actual investment.

Risk vs fraud

There's also a difference between market risk and fraud. Simply, market risk relates to the **volatility** of the market — when you invest in anything (such as shares) where you run the risk of losing your capital, you could hit the market moving down rather than up (see **capital guaranteed**, below). And the higher the returns you're chasing, the more risk you run. Far more money has been lost through people not understanding the level of risk involved in an investment than through fraud.

Unlike market risk, fraud involves illegal and unethical behaviour. Sometimes a fraudulent operator may place your money in high-risk investments without explaining this to you as required by law.

Unfortunately, there's no sure-fire way of avoiding losing your money through either risk or fraud, although the timeworn advice of not putting all your eggs in one basket can minimise its impact.

(Continued on page 25)

Example 3:

Excelsior Managed Superannuation Plan

Excelsior was the first major super plan offered to the public, under the new super regulation rules, to have its funds frozen (in 1995). It involved around 20,000 members, mostly from Western Australia.

The \$200 million fund was originally made up of small funds linked together, so that investments ranged from the exotic (such as works of art and goat farms) to more conservative unit trusts.

Excelsior was run by Chartered Pacific Superannuation, which organised the accounting and monitoring of investments through its computer systems. But serious computer and administration problems began surfacing in mid-1993 and the fund was sold to AM Corporation in January 1995 in the hope they could be fixed.

However, in November of that year AM announced it would wind up Excelsior, after realising the extent of the fund's computer disarray. These administrative problems had made it difficult to identify which assets in the trust belonged to which investors.

Scared fund members had already begun withdrawing their money in droves, prompting AM to freeze payouts. However, many of Excelsior's computer problems had by then supposedly been solved and AM decided against closing the fund down altogether. A termination would have disadvantaged many of the members who, among other downfalls, would have been liable to pay capital gains tax.

But events didn't proceed swiftly after this decision. The fund didn't reopen until March 1997, almost a year after unitholders voted with AM against winding it up.

In June 1997, AM renamed Excelsior the AM Lifetrack Master Fund — Multiple Strategy option. It currently has about \$100 million in funds under management.

While the members didn't lose their money — other than when some of the more exotic of their investments were sold — they did suffer the worry and uncertainty of the fund hiatus and a period of more than one year when they didn't receive a statement detailing their retirement savings.



What does it all mean?

■ **Bearer bonds:** A bond made payable to the person or company who's in possession of it.

■ **Capital guaranteed:** An investment that includes some form of guaranteed return of capital, making it a less risky investment than those (such as shares) where you can lose your capital.

■ **Certificate of deposit:** A written certificate by a financial institution stating that a fixed dollar amount has been deposited with it for a fixed period of time at a predetermined rate of interest.

■ **Debentures:** A loan you make to an institution that's secured by the institution's assets.

■ **Fiduciary:** A person or organisation entrusted with managing, holding or investing assets in the best interests of the owner of the assets.

■ **Liquidation:** The winding-up of the affairs of a company, including the sale of its assets and settlement of its liabilities, if possible.

■ **Prudential standard:** A regulatory control placed on a financial institution to ensure the best interests of depositors or creditors.

■ **Securities:** Written undertakings securing the repayment of money traded on financial markets, such as bonds, which establish ownership and payment details. This word can be misleading, as shares, which are not secured, also come under this heading.

■ **Trustee:** A person or company that has legal responsibility for financial aspects of funds, and to whom assets have been conveyed for the benefit of another party.

■ **Volatility:** The extent of fluctuations in share prices and interest rates, etc.

■ **Wholesale fund:** Investment funds structured for professional investors (including most super funds, institutions and corporate investors) to invest in. Ordinary investors are advised to stick to **retail funds**, which are designed for individuals and have to provide a lot more information about their structure and investments (this is called 'disclosure' of information). However, at least one expert says most prospectuses for retail funds still don't provide enough facts, often lacking information about such things as the real impact of unit trust costs and that the trustee can defer paying you back your money when you ask for it.

FINANCIAL DISASTERS

Example 4:

EC Consolidated Capital

When EC Consolidated Capital Ltd (ECCCL) collapsed about a year ago, investors lost thousands in life savings. ECCCL was a Melbourne-based firm that described itself as a fund manager in international money markets.

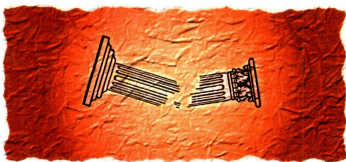
Warning bells should have first rung when one of ECCCL's directors went missing in Thailand in November 1996, but the ASC didn't get involved until May 1997, when irregularities were found in some of ECCCL's related companies. The ASC appointed a liquidator to the company after it found that \$33 million, including super funds (apparently moved to Thailand) and **bearer bonds**, could not be located.

The cash provided by investors was to buy **certificates of deposit** and international **securities** which would be used to underpin further borrowings. According to one of the ECCCL non-executive directors, the attraction of the company was that for every \$1 of investors' money, 45 cents would be invested in the money market, backed by certificates of deposit held by Dresdner Bank. These would guarantee the payment of the entire amount invested in 10 years' time.

The remaining 55 cents in the \$1 would be directed towards speculative market deals, aimed at producing much higher returns.

However, the certificates of deposit went missing. This means investors are unlikely to even see again the 45% of their money that was supposedly guaranteed, let alone the money the speculative deals were expected to produce.

So how did small investors end up with money in such a complicated package?



While the investment strategy was theoretically sound, it was a **wholesale** fund (for professional investors such as super funds) with a minimum investment of \$500,000. This meant it didn't need a registered prospectus, resulting in less information being available about it than if it had been a **retail** fund (for individual investors).

It appears that sums from smaller investors were amalgamated to meet the \$500,000 minimum requirement. It also seems that financial advisers didn't warn clients of the risks of entering a wholesale investment. And in certain cases, up to 70% of investors' life savings were put into the one company, thereby breaking the investment golden rule of not putting most of your eggs in one — particularly dubious — basket.

But for ECCCL investors, this rule has been learnt too late. ASC investigations are continuing, and it is also looking into the quality of the recommendations made by financial advisers who placed their clients into this investment.

NO-ONE IS SAFE



When Stephen Jacobs (not his real name), 62, of Cleveland in Queensland, retired from the Queensland public service in 1991, he rolled his superannuation payout of \$264,228 into four super funds with a wide range of investments, thinking he and his wife Adele could live out their lives on it.

On advice from a financial planner, he rolled over the money in the four funds into Excelsior Superannuation Fund in March 1993 to receive an allocated pension. He lost \$1806 in the rollover process, due to early exit fees and the fact that one of the funds didn't let him redeem his entire original investment.

On further urgent advice in November 1994, Stephen withdrew his Excelsior funds (excluding \$4327 retained by Excelsior). This was good advice as Excelsior's funds were later frozen. They eventually received \$3566 from Excelsior in May 1997 (losing \$761).

With the rollover now amounting to \$270,667, the couple started their own super fund, with them both as trustees.

They lent money from the fund into a solicitor's trust fund,

at 12% interest. These loans performed well, but to increase the interest rate to 15%, they invested \$20,000 in Private Mortgage Lending (PML) in May 1995. They did this as an exploratory investment, after checking to make sure the company was credible by ringing the Queensland Law Society and bankruptcy authorities.

All went well for three months, so in August 1995 they invested a further \$25,000 in the same loan to PML and another \$25,000 to Telopea Developments through another solicitor's fund.

Once again the interest was paid promptly, so they lent a further \$180,000 to PML in November 1995.

Disastrously for the Jacobs, in February 1996 PML was closed down by the Australian Securities Commission.

"Since then it has been a nightmare," Adele says. "Monumental paperwork, correspondence and unbelievable ongoing costs." They've had no access to their money and no interest paid on it.

A receiver was also appointed to Telopea Developments, while valuers and a solicitor involved in the deal were sued. The Jacobs contributed \$1947 to advertising costs in an attempt to sell the land that had been mortgaged by their loans, but there have been no buyers. They've even been to the Supreme Court to try and recoup their money, but all efforts have been

Safe as houses?

Classic examples of higher interest rates than the market average leading to people losing their money include Pyramid Building Society and Estate Mortgage Trusts (see pages 21 and 22). Investment opportunities plugging this line are still alive and well.

Last year the Australian Securities Commission (ASC) issued an alert to people thinking of investing in mortgages, either through managed mortgage trusts or pooled arrangements where a number of investors each contribute to one mortgage loan.

Bricks and mortar may sound like a pretty solid investment and the returns that are promised attractive. But it's not the same as simply investing in property of your own. The potential for investors to make money depends on the borrower meeting the repayments, the likely resale value of the property and the competence of the investment manager. As an investor you have no control over these factors; it's not a low-risk investment.

While there's a variety of protective mechanisms built into the investment system (see *Protect or perish*, right), ultimately you need to understand and be comfortable with the level of risk you're taking.

Financial advice

Many people use a financial adviser to plan their investments, and they should fully explain the level

of risk involved in the investment they suggest. A copy of the ASC's and Financial Planning Association's *Don't kiss your money goodbye* leaflet may be useful in this situation: it sets out the questions you should ask when choosing an adviser, and explains how to understand the answers. CHOICE will be looking at the performance of the financial planning industry in an issue later this year.

After you've invested

Seeking redress

So when it's all gone wrong and the money you've invested has disappeared, what can you do about it?

Before you engage in a possibly lengthy and expensive court case, explore dispute resolution. If you've used a financial adviser, talk to them first. If the institution's collapsed and there's no one to phone, visiting your lawyer is the only avenue. Otherwise there are a number of schemes run by various investment industry bodies. If you're unsure about which one to contact, the Financial Complaints Referral Centre will be able to help. Its number is 1300 78 08 85 (see also *Letters*, page 49).

This referral centre will tell you whether the Life Insurance Complaints Scheme, the Banking Industry Ombudsman, the Financial Planning Association's Complaints Resolution Scheme or the Credit Union Dispute Resolution Scheme (among others) is best suited for your problem. □

Protect or perish

You're not entirely on your own in the investment jungle. Each section of the industry has its own supervisory body, some of which are due to be reshuffled later this year. The main ones operating now are:

■ The Australian Securities Commission (ASC): Regulates most of the investment industry, including unit trusts, financial planners and the sharemarket. It can't prosecute merely on the grounds of poor fund performance; there must be evidence of fraud or non-compliance with the rules on giving good advice. Contact it if you need information about a company or financial adviser: 1300 30 06 30.

■ Insurance and Superannuation Commission (ISC): Regulates all insurance and superannuation products. It protects the interests of insurance policy owners and super fund members and promotes saving for retirement through these areas. Contact: (02) 6247 2299.

■ The Reserve Bank of Australia (RBA): Regulates Australian banks. It won't help individual consumers, though it requires banks to hold minimum capital against the risk of loss, such as from changes to interest rates. It's also responsible for monetary policy and the stability of the financial system.

■ The Australian Financial Institutions Commission (AFIC): Administers financial standards for credit unions and building societies. While AFIC won't help individual consumers, it ensures the maintenance of things like cash holdings.

in vain — they've not received a cent for over two years.

To exacerbate the problem, the Department of Social Security has reduced Stephen's Disability Support Pension to \$9.70 per fortnight, because it deems the \$225,000 lent to PML is an asset.

The default interest on the \$225,000 now means the Jacobs are owed \$313,400.

So while the couple escaped the Excelsior super fund disaster with only minimal financial damage, they've ended up in more pain and anxiety despite all their care and precautions.

Adele now has to work part-time to support them and Stephen rues the day he left the safety of the 12% interest rate investment he was originally with. And instead of the \$600-\$750,000 retirement nest egg he was expecting to enjoy in his retirement years, the couple now have only around \$180,000, plus the unit they own.

But Stephen tries to be upbeat, even though he's had to cancel their planned overseas holiday. "I try not to worry about it. It's only money, although it does nag at you. I think, well, I've got my health and I'm not destitute. But my experience is a warning to other people, I guess. The higher returns were like a carrot that attracts you. And it can affect people from all walks of life — even doctors and barristers. It's a shame, but what can you do?"

What CHOICE thinks

We could have the best-drafted investment system in the world, but if the consumer protection regulators don't have the will, legislative powers or resources to enforce regulations, it won't meet consumer needs.

Some issues CHOICE has lobbied for in the finance and investment industry include:

- Effective dispute resolution schemes.
- Stronger depositor protection in the area of bank accounts, either through a strengthening of the current system or an explicit government guarantee.
- Improving the relevance and readability of the prospectuses issued by managed funds.
- High standards of financial advice and full disclosure of information such as fees and charges.



Antibiotic resistance — revenge of the bugs

Some bacteria which cause disease in humans are becoming

more and more resistant to the antibiotics we use to

treat them. What's the problem and what can we do about it?



IN BRIEF

■ Some strains of common disease-causing bacteria are rapidly becoming resistant to antibiotics, mainly due to misuse and overuse.

■ Both medical practitioners and consumers need to reduce their dependency on antibiotics.

■ Though there is no conclusive evidence, some scientists suggest using antibiotics in livestock is contributing to resistance in humans.

RESISTANCE OF BUGS TO ANTIBIOTICS isn't a new thing. Almost as soon as penicillin was introduced in the early 1940s, there were reports of resistance to this new treatment. But in the early days there were always new antibiotics being developed to combat resistant bugs, and the overall success of killing bacteria with antibiotics bred complacency. By the early 1980s many experts felt we had infectious diseases licked.

However, resistant bacteria have continued to spread at an alarming rate — mainly due to the misuse and overuse of antibiotics — and manufacturers haven't been able to keep up the pace. So today we find ourselves faced with a number of infectious bacteria that are resistant to almost all known antibiotics.

Resistance in hospitals

It's the very sick who are at greatest risk in hospitals — disease-causing bacteria can enter through tubes, ventilators and surgical wounds, and if they're resistant to most antibiotics there can be a real danger.

Of most concern among the resistant strains of bacteria in the hospital environment is vancomycin-resistant enterococcus (known as VRE). VRE is usually resistant to most antibiotics, including vancomycin — an antibiotic often used as a last line of defence to treat infection in hospitals.

The first case of VRE in Australia was found in 1994, and since then it has been detected in about 80 patients. Many were only carrying the germ and weren't made sick by it, but VRE has contributed to the death of a handful of Australians.

In tests in the UK, scientists have shown that VRE can transfer vancomycin resistance to a particular

strain of *Staphylococcus aureus* bacteria (commonly known as golden staph) that is resistant to a number of other antibiotics. This resistant golden staph is becoming more common in hospitals and can cause serious infections. Vancomycin is the last remaining effective defence. Cases of vancomycin-resistant golden staph have already been found in Japan and the US, suggesting the day may come when golden staph becomes untreatable.

Problems in the community

Resistant bacteria in the community are also becoming a problem. Cheap and traditional antibiotics such as penicillin are becoming less effective against some common infections. For example, much more expensive drugs are sometimes necessary to treat *pneumococci*, which can cause ear infections in children, pneumonia and meningitis.

People may also experience dangerous delays before an effective drug for serious infections such as meningitis is found, and these delays can also give time for the infection to spread to others.

Multi-drug-resistant strains of tuberculosis (TB) are becoming a worry as well, with the US seeing some strains that are resistant to all available TB drugs.

The human-animal link

One theory suggests that antibiotic-resistant bacteria in animals can cause infections in humans that are hard to treat. Animals are often fed antibiotics during the farming process and, as with humans, their bacteria gradually develop resistance to these antibiotics.

Most animal bacteria can't survive in humans so aren't a problem, but there are some strains which

can be harmful. If these types of resistant bacteria are passed on to people through poor food handling, eating undercooked meat or contact with animal faeces (for example, people working with animals), they could develop an infection that may be resistant to antibiotics similar to those used in the animal.

Although there is no conclusive evidence this link exists, there have been a number of cases of possible transmission which support the theory. The two most common bacteria involved are salmonella and campylobacter, where similar increases in resistant strains of these food-poisoning bacteria have been seen in animals and humans in recent years — particularly in the US and Europe.

Fortunately, we haven't seen any of these resistant strains in Australia yet, but it may just be a matter of time.

What needs to be done?

■ **GPs need to prescribe less.** GPs are often criticised for prescribing too readily, and a recent study comparing antibiotic use in developed countries from 1990 to 1995 suggests this criticism is warranted. The study found that Australians were the second-highest users of antibiotics after France, and as only 7% of oral antibiotics are used in hospitals, it follows that most of the rest of the drugs are prescribed in the community by GPs.

For example, the study found that for cases of upper respiratory tract infections (such as flu, sore throats and colds) antibiotics were prescribed for more than half the patients. However, the cause of these infections is almost always viral and antibiotics have no effect against viruses. Some studies also suggest that antibiotic treatment for middle-ear infections may be less effective than once thought.

■ **Consumers need to be aware of the problems.** Many consumers have come to expect antibiotics as an easy solution and aren't impressed with a 'wait and see' approach. Doctors often feel pressured to prescribe antibiotics. But they aren't always the answer and consumers need to be aware of this.

Apart from the fact that antibiotics don't always work, there are some risks associated with taking them. They range from mild reactions like diarrhoea, nausea, rash and thrush to severe allergic reactions (25 out of 100,000 people taking oral penicillin or amoxycillin get a severe reaction).

■ **Take a course of antibiotics as prescribed by your doctor.** It's important to take the prescribed dosage of antibiotics and to take them on time. You should never stop the course early unless you have checked with your doctor first.

There's much debate over the length of time you should be on antibiotics to minimise problems of resistance developing. Some experts suggest that at

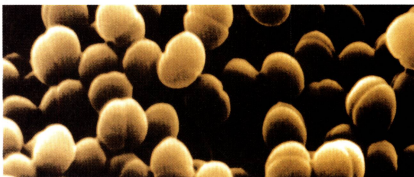
present a lot of courses of antibiotics are too long and that we should be looking towards shorter courses and even single doses.

■ **More attention must be paid to infection control.** Less than ideal infection control techniques can account for the spread of resistance in hospitals. Numerous studies have shown that hand-washing before and after patient contact by all hospital staff, and especially by physicians, is poor. Don't be afraid to ask a carer to wash their hands if they've neglected to do it.

It's not just in hospitals where care has to be taken — for example, childcare centres need to pay particular attention to good hygiene practices.

■ **We need to cut down on the use of antibiotics in food-producing animals.** We use an average of 756 tonnes of antibiotics each year in Australia, of which a whopping two-thirds are used in the animal industry. Of this two-thirds, over 80% are used in stockfeed (for disease prevention as well as for growth promotion — see *Avoparcin*, below) and the remainder to treat sick animals. □

Golden staph bacteria can cause serious infections, and antibiotic-resistant strains have been found. Better infection control in hospitals is one way to reduce the problem.



Avoparcin — should we ban it?

Avoparcin is used in Australia as a growth promoter in animals, mainly for intensively reared ones such as pigs and poultry.

In Europe a strong association has been shown between avoparcin use in animal husbandry and the occurrence of VRE in animals and food (for more on VRE, see *Resistance in hospitals* on page 26). A recent Australian study also found an association between the use of avoparcin and the presence of VRE in animals. While VRE causes disease in humans, there is yet to be a scientific link found between avoparcin use in animals and human VRE.

However, as a precautionary measure the EU decided to ban the use of avoparcin as a growth promoter in 1997. It's not approved for use in the US or Canada either. This leaves Australia as one of the last developed countries where it is still approved. The Australian National Health and Medical Research Council working party on antibiotics reviewed the situation in 1996 and concluded that there was insufficient evidence to recommend a ban on avoparcin, but it's maintaining a watching brief.

A recent World Health Organisation (WHO) conference on antibiotic use in food-producing animals recommended that no antibiotics should be used in animals that are similar to those used to treat humans (this would include avoparcin, which is similar to vancomycin). The Australian government should review the use of avoparcin and other animal antibiotics and, as a minimum, conform to the WHO recommendations.

Where you live affects the quality of your life. If you're thinking of a retirement village, this article will help you make a wise choice.



Retirement villages

IN BRIEF

- Moving to a retirement village should be seen as a lifestyle rather than a property decision — you're paying for a service, rather than making an investment.
- While many people enjoy village life, others have been shocked to find what they've let themselves in for.
- Getting out of a village can be very costly and involve lengthy delays.
- How maintenance fees are set and spent can be a major source of conflict between residents and management.
- Doing your homework by getting legal advice and visiting villages to talk to other residents is essential in choosing a village.

AS THE POPULATION AGES, THE ISSUE of where older Australians live is increasingly important. While most people choose to live out their days in the family home, some find this no longer meets their needs. You might have difficulty maintaining your house and garden, be concerned about your physical safety, need more care and support, or need the companionship of people of similar age and interests. You have a range of options (see *Before you move*, page 29), and more people than ever are now choosing a retirement village.

Glossy brochures often imply that a retirement village gives you a hassle-free life of luxury. Many people do enjoy village life immensely, but some have not so happy and their experiences should give you food for thought before you sign up.

Buying into a retirement village is very different from buying a home or unit. You have to live in a community that includes other residents, management and staff of the village. The Retirement Village Association of Australia says, "It involves buying a new lifestyle as well as a roof over your head."

For some people this will create a sense of community and security, but others may feel a loss of privacy and autonomy. While it's possible to enhance your sense of independence, there can be limitations (for example, who can come to stay and for how long). These may affect your day-to-day life in the village.

When choosing a retirement village, compare the promotional material of a number of villages and shortlist two or three for more detailed investigation (see the *People and place* checklist on page 29). Get all the legal documentation from each, and talk to as many residents as you can. And use this article to make sure you're fully informed about the financial, legal, physical and social aspects of a village before you take the plunge.

CHOICE THINKS:

- Retirement village residence contracts should be in plain English, in a standard form, and disclose all amenities, services and occupation rights that are included in the entry cost. The basis for charging any extra fees, including maintenance and deferred fees, should also be clearly explained in the contract.
- Residents should have the right to choose who sells their unit (see page 31 for more on this).
- The level of ongoing fees residents are liable for once they have vacated their unit, and the length of time they're charged, should be reasonable and fair.
- Residents' funds need to be better protected by trusts, with appropriate trustee requirements.
- There should be an effective complaints mechanism and dispute resolution process that is consistent across the states, and penalties for non-compliance with legislation.

What is a retirement village?

A retirement village is likely to be a purpose-built medium-density housing development that:

- Is designed with older people in mind.
- Is usually restricted to people 55 or older.
- Can include self-care units, serviced apartments, a hostel and/or a nursing home.
- Provides communal facilities and ongoing services.
- Has a central management that administers and maintains the retirement village.
- Can have an on-site manager for day-to-day liaison with residents.

Some retirement villages are run for profit, but a large number are affiliated with churches, community groups and charitable organisations. There are four main types of accommodation:

- **Self-care (independent living) units**, which are self-contained with one or more bedrooms.
- **Serviced apartments** for those who need help with meals, cleaning, laundry and perhaps even personal care.
- **Hostels** that provide meals, cleaning, laundry and personal care. They are generally subsidised by the Federal Government.
- **Nursing homes** that provide a high level of nursing care, and also are generally subsidised by the Federal Government.

Access to federally subsidised nursing homes and hostels (now called residential aged care facilities) is based on the availability of beds and an assessment of your needs by a Commonwealth-funded Aged Care Assessment Team. See page 30 for more on nursing homes and hostels.

People and place

The physical and social environment of a village is an important consideration, and can include:

- Communal space (lounge, garden, library).
- Recreational facilities (swimming pool, sauna, bowling green, tennis court).
- Personal care services (hairdresser).
- Assistance with meals and cleaning.
- Restaurant, kiosk or shop.
- Transport (village bus).
- Maintenance.
- On-site nursing home or hostel.
- Languages other than English.

Checklist

- Will you use the facilities and services you pay for?
- Do the facilities need repairing?
- Where advertised facilities are not yet built, will you get a refund if they aren't built?
- Your access to Home and Community Care

(HACC) services (such as meals on wheels and home nursing) may be restricted, so check what restrictions there are.

- How secure is the village and your unit?
- Ask existing residents if they are satisfied with staffing conditions and maintenance levels.
- Make contact with the residents' committee.

Don't forget your future needs

When you choose a village, don't forget your changing needs over the long term.

Checklist

- Is there appropriate disability access?
- Are there a lot of stairs?
- Are there ramps, handrails and non-slip surfaces?
- Are taps and switches easy to use?
- How accessible is the washing line?
- How accessible is any emergency button, who answers it and when?
- How much will extra care services cost?
- Does the village have 'flexicare', providing services when and where they're needed and not tying them to the type of accommodation you're in?

Location

This can affect whether the unit is a good investment, as well as your lifestyle.

- Is it close to family and friends?
- Is it close to transport, doctors, shopping centres and community facilities?
- Is the atmosphere pleasant?
- What are the view and environment like?
- How noisy is it (other tenants, pets, traffic)?

Thank you

Thanks to all our subscribers who wrote telling us their experiences of retirement villages. Your letters were extremely helpful in putting together this article.



An emergency button is great for security, but check who will answer it and that you can use it day or night.

Before you move

Solicitor Wendy Fisher from The Aged-care Rights Service in Sydney frequently sees older people who've made rash decisions about moving house. Wendy advises people to take their time.

"This could be the biggest decision in life since marriage," she says, "and if you sign a contract in haste you may regret at leisure."

Before you move:

- Identify all the reasons for moving and options that will meet your needs.
- Consider the advantages and disadvantages of each option.
- Consider the impact on your lifestyle in both the short and long term, because your needs may change.
- Check the impact on your social security entitlements.

Alternative options include:

- Bringing in extra services to your existing home.
- Buying or renting a smaller unit in your local community.
- Sharing with family or friends.
- A granny flat or equivalent.
- A home equity conversion.
- A housing co-operative.
- A mobile home, for example a caravan.
- A boarding house, rooming house or private hotel.

The publication *Housing Choices for Older Australians* discusses the options in detail (see Resources, page 31).

Nursing homes and hostels

The focus of this article is on self-care units and serviced apartments, but some retirement villages also include nursing homes and hostels, which is why we make brief reference to them.

While some people might move into a retirement village with a nursing home or hostel for future needs, there's generally no guarantee there will be an empty bed in that particular facility when you need it.

Fees paid for federally funded nursing homes and hostels may be means-tested against your income. Contact the Commonwealth Department of Health and Family Services (see *Resources*, page 31) for more information.

Money matters

Entry fees

Depending on your type of occupancy (see *Forms of tenure*, page 33) and accommodation, you may be charged anywhere from nothing (although this is rare) to over \$250,000 in purchase price or 'entry contribution'. A 1996 survey by the Australian Housing and Urban Research Institute found the highest charge was \$425,000, but around a third of people purchased for between \$50,000 and \$150,000. You may also need to pay for stamp duty, transfer fees, legal fees, a removalist, furniture, fittings and appliances.

Where entry contributions are lower, fees in other areas may be higher, so make sure you find out about all fees.

Checklist

- What does the entry cost cover (don't forget light fittings, window coverings, carpets)?
- Do you need any insurance?
- Is there a cooling-off period during which you can change your mind after signing up, and is there an administration fee if you decide not to go through with it?
- What money are you due to be paid when you leave and when will you get it (see *If you leave*, below, *Control of sale*, page 31, and *Legalities*, page 32)?

\$546 A MONTH FOR AN EMPTY ROOM!



When Elaine Raahauge's mother-in-law, Colleen, developed dementia five years ago her family moved her into a serviced apartment so she could be cared for.

Elaine describes the care as "very good". But 18 months ago Colleen's condition got worse and she had to move into a nursing home. Then the Raahauges' troubles began.

The operator, who had a six-week exclusive right to sell Colleen's unit, said there was an oversupply of apartments and hers couldn't be sold. Elaine and husband Craig weren't sure how to sell the unit themselves and so had to keep paying the monthly charges of \$546 for six

months before they were entitled to a reduction to \$458 a quarter. When the operator told them the reduction would only be valid for six months, and then would revert to the \$546 a month, Elaine and Craig contacted The Aged-care Rights Service (TARS). This secured them a permanent reduction and within weeks a buyer for their unit was found.

"Forgive my cynicism," says Elaine, "but I'm convinced that after we refused to pay the high fees we were moved to the top of the list."

The unit finally sold for \$20,000 less than the purchase price. On top of this the Raahauges had to pay \$15,794 in deferred management fees, a \$2400 commission to the operator and \$1600 in solicitor's fees.

"What outrages me," says Elaine, "is that we were paying \$546 a month for an empty room that my mother-in-law owned!"

Ongoing fees

Village services (such as a village bus, meals, cleaning) may be provided on a user-pays basis, or be covered by a compulsory fee that will also cover other running costs, including:

- Maintenance of buildings, common areas, recreational facilities and gardens.
- Staff salaries.
- Accounting and auditing fees.
- Council and water rates (except for any you may be responsible for separately, such as under strata title).

You'll need to pay for gas, electricity and phone bills separately.

You may be required to contribute to a fund to be spent on things like painting or major building repairs (a 'sinking fund'). It's difficult to budget for these because they're levied for one-off rather than ongoing projects.

Though contracts and legislation may set out how maintenance fees are set and spent, there can be disputes between residents and management over this.

Another bone of contention arises when residents want to leave. You may have to pay ongoing fees while waiting for your unit to be sold or transferred, and may have no control over the sale (see *If you leave* and *Control of sale* for more details).

Ongoing fees for self-care units vary from about \$20 to \$65 per week. Fees in serviced apartments vary a lot more — from about 85% of the pension to hundreds of dollars per week — depending on what services are offered.

Checklist

- What costs (such as internal and external repairs, pest control) are you directly responsible for and which are covered by the sinking fund and/or ongoing fees?
- How are the fees calculated?
- What say will you have in setting maintenance fees?
- What protection do you have if the village is taken over by another organisation that imposes a new maintenance fee regime or revises the payment schedule?
- If you're looking at buying under strata title, ask to see the minutes of the body corporate committee. If it's a leasehold or loan/licence, ask the residents' advisory committee if you can see their correspondence. See *Forms of tenure* for more on the differences between these types of occupancy.
- Ask the residents whether fees have risen and by how much.

If you leave

Deferred fees

When you leave a retirement village you can be charged a deferred management fee (DMF), nomi-

nally to replace carpets, paint your unit and contribute to a sinking fund. However, the amount charged for a DMF is generally not limited by legislation and may bear no relation to real management costs.

The DMF can simply be a device to reduce entry costs and make getting into the village more affordable, but it could mean you pay more later. A 1996 Victorian phone-in found that some people felt they didn't have the DMF explained clearly to them.

Checklist

- Are there any fees you pay when you leave (they won't necessarily be called deferred management fees)?
- How are the deferred fees calculated?
- Can you negotiate a better deal on any deferred fees?

Capital gain

This is the amount of any appreciation in the value of your unit over the time you're there. A proportion of any capital gain can be deducted from your payout by management as well as or instead of a DMF. In some cases you're not entitled to a share of the capital gain unless you make special arrangements in the contract. Generally speaking, you're more likely to get access to a greater percentage of any capital gains made under strata title than other forms of tenure.

Checklist

- What capital gains do you get on the sale of the unit?
- Will you be reimbursed for any improvements or modifications you've made?

Control of sale

The contract often gives village operators the exclusive right to sell or transfer the unit. The Retirement Village Association of Australia sees this as an advantage because it relieves residents of the responsibility. However, the NSW Retirement Village Residents' Association believes that residents should have the exclusive right to decide who sells their unit. One of the greatest sources of discontent among those who wrote to CHOICE about their experiences was delays in the sale and lease of units.

The greatest hardship was the requirement to pay maintenance and service fees while waiting to sell, and in some cases deferred fees accrued as well. This makes it very difficult for those who need to move to a higher and more costly level of care.

Checklist

- Who controls the sale of your unit?
- Can you engage an agent of your choice without financial penalty?
- Can you call on an independent valuer to settle any dispute over the asking and the sale prices?

- When do you, your next of kin or your estate receive the money from the sale?

How safe is your money?

Financial failure of a retirement village operator can lead to a disruption of services, and this could affect the value of your unit. If you don't own the unit it may be sold, and your refunds could be at risk. Residents in one failed charity-run retirement village in NSW have reportedly lost the money they put in under a licence agreement. There was no trust arrangement, and none was required by law.

Checklist

- Is your money protected if the retirement village closes down due to financial problems? Unfortunately, even a trust may not absolutely guarantee the safety of your money.
- Ask your accountant to help you check the financial records of the operating company.

Buying into a retirement village is a lifestyle decision — to make sure you'll be comfortable as well as cared for.



Deferred management fees (DMF)

A common formula for a DMF is 2.5% of the entry cost per year, to a maximum of 10 years. For example, if the unit costs \$200,000 (your 'entry fee'), and you live in it for five years with a 2.5% DMF on the purchase price, the developer gets \$25,000 when you sell the unit.

Resources

Some states have residents' associations for specific information on retirement villages. These are:

- Retirement Village Residents Association (NSW), (02) 9524 8862.
- West Australian Retirement Complexes Residents Association, (08) 9417 5855.
- South Australian Retirement Village Residents Association, (08) 8263 5168.
- The Association of Residents of Queensland Retirement Villages, (07) 3371 3844.

For information on federally funded nursing homes and hostels, ring:

- Aged Care Hotline, 1800 500 853.

Advice is also available from the Council on the Ageing or Seniors Information Service in your state (check the information section at the front of your White Pages).

Good books

- *Housing Choices for Older Australians* (second edition) — contact the Council on the Ageing in your state. This discusses the various options for aged accommodation in detail and includes an excellent contact directory.
- *Before You Move*, available free from The Aged-care Rights Service on (02) 92813600 (only relevant to NSW).

Internet site

A self-help guide designed by lawyers and legal consultants which provides a plain-English translation of Victorian legislation (including retirement village law): www.law4u.com.au

Legalities

The contract

Contract conditions are crucial when you enter a retirement village. They specify your form of tenure, your future legal and financial rights and your obligations. In general, the less control you have, the fewer rights and responsibilities you have.

There is no standard contract, they're seldom in plain English and they can sometimes be hundreds of pages long. It's no wonder that few people read them. Before signing, get a solicitor experienced in retirement village issues to go through and explain the implications. This could cost around \$1000 but could save you both dollars and headache later.

Checklist

- What facilities are you allocated (car park and storage space, for example)?
- What say do you have in the management of the village? Beware of the requirement to give proxy votes or irrevocable powers of attorney to management.
- What ongoing fees are there? Beware of open-ended clauses about maintenance costs (don't sign if there's no restriction on escalating costs). What happens to fee requirements if you go on holiday, go to hospital, your spouse dies, or you leave the unit, marry or remarry?
- Are there any restrictions on services by outside agencies, such as meals on wheels?

Exemptions

Certain retirement villages, hostels and nursing homes may be exempt from or not be covered by legislation. To check if you're dealing with one of these, ask your solicitor or the appropriate government department (see *Lay of the Law*, page 33). Regardless of whether specific legislation applies, there may be other relevant legislation, for example that covering strata title.

HOMEWORK DONE!



Neville and Joy Merchant looked at around eight villages before they chose one close to an inland waterway with ibis, blue wrens and ducks. "It's something you don't get in suburbia," says Neville. They are only about an hour away from daughter Robyn and old friends, have the RSL club next door, can walk down to the water and are a 10-minute bus ride away from a big shopping centre (a bi-weekly service). They bought a 99-year lease and planned their villa from scratch.

Neville uses the third bedroom as an office to keep track of his investments, and grows tomatoes, passionfruit, oranges and lemons. Joy is very social and says she

knows the names of all 100 people in the village. For ease of mind, they have a 'Vitalcall' emergency unit which is answered by a trained carer.

"When you're considering a retirement village, do your homework," advises Neville. "Visit and you'll always find someone with a smile on their face to talk to. There's no substitute for doing this." Last but not least, get legal advice on the contract because, as Neville found, conditions vary a lot from place to place.

If things go wrong...

Knowing who to complain to can be a problem. Complaint mechanisms and provisions for dispute resolution differ from state to state, and sometimes between retirement villages.

If you can't sort out your problem, you may get help from the following types of organisation in your state:

- A retirement village residents association.
- An aged care advocacy service.
- Council on the Ageing.
- A retirement village industry association.

Note: Despite the fact that there are some national standards set within the industry (such as for accreditation), these are difficult to enforce and are not consistent across all retirement villages.

- The appropriate government department (see *Lay of the law* on page 33 for contact details).

- Is a medical examination a condition of entry?
- Who has control of the sale (see *Control of sale*, page 31). Beware of clauses about repurchase of your unit by the manager.
- What refunds are you entitled to when you leave, what are the conditions and how long do you have to wait to receive them (see *If you leave*, page 30)?
- What if you marry or your spouse dies and you need to change the names on the documents?
- Check the terms under which you can be evicted (for example, if your need for types of care and services changes).
- What control do you have over the decision that you are unable to cope (for example, due to lack of mobility) in your existing accommodation?
- Try to negotiate the terms of the contract with help from your lawyer.

Village rules

Apart from the contract, all villages have rules covering pets, visitors, noise and disputes, among other things. For strata and company title there may also be separate by-laws or articles of association.

Checklist

- Can visitors share meals with you, and if so, where? Can they stay overnight?
- Parking — for you and visitors?
- Can you have pets?
- Can you work from your unit?
- Can you sublet?
- What say do you have in changes to village rules?

Forms of tenure

You can occupy a unit in a retirement village in different ways. What is best for you will depend on your circumstances and what's being offered by the village. Listed here are some key points about the main forms of tenure. However, what's written in the contract you sign will determine the details of your right to occupy and may override some conditions normally associated with these forms of tenure in the outside property market. This is why it's essential you get legal advice before you sign.

Loan/licence and leasehold

The most common form of tenure is where you pay an entry contribution called a 'loan' (which may or may not be refunded to you when you leave) in return for a licence to occupy. Leasehold is where you get a long-term lease to occupy, for example 99 years.

Similarities

- You don't own your unit but pay an entry fee in return for the right to occupy and use the basic facilities.
- The full refund of an entry contribution may be withheld until a new resident is found.

Differences

- A licence is usually the cheapest and simplest legal arrangement.
- There is no capital gain when terminating a licence. The amount you get when selling a lease varies.
- A lease has ongoing contributions until a new tenant can be found — even if you aren't living in the unit. There are usually no ongoing fees under a licence while the unit is vacant.

Strata (unit) and company title

Under strata title you generally buy the unit plus equal use of and responsibility for the common areas. You must sign service and management agree-



ments. Residents become members of the body corporate, which has management input.

Under company title the resident buys a share in a company that owns the village. Shareholders have management input through their vote. An operator, however, may retain control of a company. Rather than having shares in the company, residents sometimes have tenure through a unit trust.

Similarities

- All management fees, rates and strata levies must be paid until the unit is sold — even if it's vacant.

Differences

- Under strata title you own the unit, whereas under company title you own a share in the company that owns the village.

Renting

Rental agreements are very rare in retirement villages, with rents generally from \$20 to \$60 per week. □

In many villages you have the choice of taking part in organised events or just doing your own thing.

Lay of the law

All states and territories have specific retirement village legislation except Tasmania and the ACT (which are developing it). Though legislation differs from state to state, it generally covers disclosure of information, resident participation in management, security of tenure, fees and charges, and complaints and dispute resolution. SA, NSW, WA and the NT have mandatory codes of practice (contact the relevant government department (see right) to get a copy of these). However, regardless of requirements for village operators to disclose all appropriate information, it's still a case of buyer beware.

Both nursing homes and hostels are generally covered by the new Commonwealth Aged Care Act, which makes no distinction between the two forms of accommodation. Some hostels and nursing homes may still be covered by some state legislation as well.

The following state departments are responsible for retirement villages:

- **NSW:** Department of Fair Trading.
- **NT:** Office of Consumer Affairs and Fair Trading.
- **Queensland:** Consumer Affairs Department.
- **SA:** Office of Consumer and Business Affairs.
- **Victoria:** Office of Fair Trading and Business Affairs.
- **WA:** Ministry of Fair Trading.

The following departments can be contacted only regarding fair trading issues concerning retirement villages:

- **ACT:** Consumer Affairs Bureau.
 - **Tasmania:** Office of Consumer Affairs and Fair Trading.
- Commonwealth-funded nursing homes and hostels are covered by:
- **Commonwealth:** Department of Health and Family Services.

Whether you want to take your lunch to work or to a secluded beach, a daypack may be just right for carrying it in.



For city streets *and* days in the bush

IN BRIEF

■ Try before you buy: everybody is shaped differently, so it's important to check that you can adjust a loaded backpack to fit comfortably (see *What to look for*, right).

■ Water resistance split the tested packs into two groups: four were good to very good, while five would pour a lot of cold water on your weekend if it rained.

■ If you're planning to use your daypack for bushwalks, where you may have to carry it for several hours, well padded shoulder straps and a waist belt can be very important features.

DAYPACKS ARE SMALL BACKPACKS (mostly 20 to 30 litres in size) that were originally designed to carry enough gear for a one-day bushwalk. However, their versatility and convenience have also made them very popular for general everyday use and even a fashion item — they can be seen in shopping malls and at work, school and uni.

If you carry your belongings in a daypack, you can spread the load over two shoulders rather than one, as with, say, a handbag. And unlike a briefcase or carrybag, a daypack leaves your hands free.

Daypacks generally come in two styles:

■ **Teardrop-shaped** packs have a front flap that can be opened by a U-shaped zip, making them easy to load and unload. This style is suitable for both general everyday use and recreational use, and is much more popular than top loaders.

■ **Top loaders** have an opening at the top which can be closed by a drawstring or zip, and is covered by a flap for protection from rain. They generally hold more than teardrop-shaped packs, and are mainly used for more serious recreational use (for example, all-day bushwalks and cross-country skiing). While packing them is very easy, you may have to dig right down to the bottom if you

want to retrieve an item. This can be annoying in day-to-day use.

Woeful in the wet

We bought nine daypacks that are widely available in specialist outdoor shops: 20 to 25 L teardrops with a single main compartment. We didn't include fashion packs, or packs specifically marketed for children and students.

We assessed the packs both in the lab and — with the help of seven trialists — in the bush (see notes 4 and 5, page 37, for details). The main results were:

■ While two models (WILDERNESS EQUIPMENT and SNOWGUM) were almost completely water-resistant, three others (WHITE MOUNTAIN, MOUNTAIN DESIGNS and TATONKA) became soaking wet inside, with a fair amount of water sloshing around the bottom. The BERGHAUS and MACPAC also let in enough water to be 'not recommended'.

This result was a particular shame for the WHITE MOUNTAIN and MOUNTAIN DESIGNS, as they got the highest scores for comfort and ease of use in the user trial.

■ Our results show the water resistance of the packs in an 'as-new' state — the protection you'd experi-

ence when using the pack for the first time. Over time, the water resistance is likely to change. While it may deteriorate for some packs (perhaps because their protective coating wears off), some manufacturers claim it'll improve for others (for example, because they use a material made of fibres that keep expanding).

WHAT TO BUY

KATHMANDU Canvas — Unisac*	\$70
WILDERNESS EQUIPMENT Flashback*	\$98

* According to the manufacturers, both of these backpacks were to be modified.

These models scored well in both our user trial and our performance tests, which included water resistance, durability and strength.

We downgraded the five packs that let in a considerable amount of water to 'not recommended' — for bushwalking, good water resistance is essential, while even in everyday use a backpack needs to be able to withstand a heavy shower of rain.



Look for double stitching for strength, and an extra-flap for water resistance.



A reinforced base is useful because the base is exposed to more wear and tear.

WHAT TO LOOK FOR

What you use your backpack for will influence which type you prefer and what features you need. For example, if you're most likely to carry it for work or uni, teardrop-shaped packs like those in this test are probably better because they allow easier access to the contents. And you may want to look for additional pockets and storage features (such as a keyring or pen holder) to keep the contents organised.

If you'll use it mainly for long bushwalks or cross-country skiing, a waist belt, tough material and good water resistance are important. You also might want to check out toploaders instead of teardrop-shaped packs (see page 34).

■ **Try before you buy.** Load the backpack you're interested in — ideally with 'weighty' items rather than just paper stuffing (ask the sales assistant for help) — and try to adjust it comfortably to your body. Also, try it on wearing bulky clothing such as a fleece or a raincoat, to make sure you can adjust the straps accordingly.

As a rough guide, the pack should hang just below your shoulders, with the bottom resting on your hips. Make sure the shoulder straps are well padded and don't cut into your armpits or shoulders.

■ **Durability:** You can tell whether a pack is light or heavy in the shop, but how can you tell whether the material is durable? Unless you're a fabric expert you probably can't, but we've done it for you with our water resistance and durability tests for this set of nine packs.

■ **A waist belt** is important if you plan to use the pack for bushwalking or carrying heavy loads, because it takes weight off your shoulders. It should sit just above your hips. If it's higher, leaning forward may feel awkward.

■ Some people may find a **chest strap** useful for heavier loads, because it distributes the pack's weight and allows you to adjust the shoulder straps so they don't cut into you.

■ If the pack has a **padded back**, the contents won't poke into your back as easily. However, make sure the padding is grooved or quilted so that air can circulate between the pack and your back. And our two recommended packs show that a padded back isn't essential for a pack to be considered comfortable.

■ Our trialists found zips with **fabric tags** particularly easy to operate.

■ **A reflective strip** is a safety feature if you'll be walking or cycling at night or in poor weather conditions.



Additional external or internal pockets, a key clip or pen holders can keep the contents of your pack organised and easily accessible. However, more accessories like these may also mean more seams and zips — spots vulnerable to water penetration.

DAY BACKPACKS

1

2

Brand / model (in rank order)	Manufacturer / distributor	Origin	Target price (\$) *	Warranty (years)	Weight (g) **	Claimed volume (L)	Fabric type	External pockets
KATHMANDU Canvas — Unisac (A)	Kathmandu	Vietnam	70	'Lifetime'	590	20	Canvas	1
WILDERNESS EQUIPMENT Flashback (B)	Wilderness Equipment	Australia	98	'Lifetime'	540	25	Canvas	1
SNOWGUM Moroka	Snowgum	China	40	'Lifetime'	410	20	Synthetic	1
OUTGEAR Ultra Dilly Mk V	Rapp	Australia	99	'Lifetime'	650	22	Synthetic	1
NOT RECOMMENDED (poor water resistance)								
WHITE MOUNTAIN Forest Path	Woong Trading	Vietnam	79	'Lifetime'	805	25	Synthetic	1
MOUNTAIN DESIGNS Frilly	Mountain Designs	Sri Lanka	40	ns	605	20	Synthetic	2
BERGHAUS Ember	Outdoor Agencies	China	50	'Lifetime'	430	22	Synthetic	1
MACPAC Litealp	Macpac	NZ	99	'Lifetime'	560	25	Cotton/synthetic	1
TATONKA Sack 2	Outdoor Survival	Vietnam	56	ns	515	21	Synthetic	1

* Prices shown are a good target to aim for when shopping around, based on nationwide checks in December 1997.

** Rounded to the nearest 5 g.

ns Not stated.

(A) According to the manufacturer, the shoulder harness of this model is to be modified.

(B) According to the manufacturer, the material of this model is to be changed, so ratings, especially waterproofing and durability, could change.

(C) This model has a strap that can be used as either a waist belt or a chest strap.

(D) This pack has buckles that allow you to attach an optional strap.

PROFILES

The models in the *What to buy* list are profiled in rank order. Prices shown are a good target to aim for when shopping around, based on nationwide checks in December 1997. Anything lower is a bargain. The quotes are comments from our trialists.



What was wrong with the others?

- The **WHITE MOUNTAIN, MOUNTAIN DESIGNS, BERGHAUS, MACPAC and TATONKA** weren't sufficiently water-resistant to be recommended.
- Our trialists didn't find the **SNOWGUM, MACPAC and OUTGEAR** as comfortable and easy to use as the other packs in the trial.
- The **SNOWGUM** and **BERGHAUS** did poorly in the puncture test.

KATHMANDU CANVAS — UNISAC

Target price: \$70

Good points

- Easy to use and comfortable (although it doesn't have back padding): "It felt like a pack which would be comfortable all day."
- Good for overall durability and strength.
- Good water resistance.
- Large, easily accessible front pocket.
- Very durable shoulder harness.
- Relatively strong material.

Bad points

- "Basic pack."
- Shoulder straps may not be comfortable for everybody — make sure you try the pack before you buy.
- Both parts of the waist buckle have to be the right way up to close, which can be fiddly.

WILDERNESS EQUIPMENT FLASHBACK

Target price: \$98

Good points

- Easy to use and comfortable (although it doesn't have back padding): "Excellent pack."
- Very good water resistance.
- Reinforced base.
- Reflector strip for safety at night.

Bad points

- "A chest strap would be useful."
- Strength of material only middling (6 mm holes were made in the puncture test).
- Shoulder straps may not be comfortable for everybody — make sure you try the pack before you buy.

2	2	2	2	2	2	3	4	5	6	
Padded back	Internal pocket	Waist belt	Chest strap	Reflector strip	Zip tags	Water resistance rating	Performance score (%)	User trial score (%)	Overall score	Brand / model (in rank order)
		✓				Good	81	77	79	KATHMANDU Canvas — Unisac (A)
	✓	✓			✓	Very good	75	73	74	WILDERNESS EQUIPMENT Flashback (B)
		✓			✓	Very good	73	68	70	SNOWGUM Moroka
✓		✓	(D)	✓	✓	Good	70	60	65	OUTGEAR Ultra Dilly Mk V
✓	✓	✓	✓		✓	Very poor	50	85	68	WHITE MOUNTAIN Forest Path
✓	✓	✓		✓	✓	Very poor	43	80	61	MOUNTAIN DESIGNS Frilly
✓		✓			✓	Poor	60	70	58	BERGHAUS Ember
✓		✓		✓		Poor	50	64	57	MACPAC Litealp
✓		(C)	(C)		✓	Very poor	40	73	57	TATONKA Sack 2

1 Warranty

'Lifetime' warranty is much less useful than a specified length of time. Unless 'lifetime' is more fully defined in the warranty details, all it basically means is that the backpack is guaranteed to last as long as it lasts.

2 Features

See *What to look for*, page 35, for explanations of backpack features.

3 Water resistance rating

We put the packs under a shower for 15 minutes at a flow rate that simulated very heavy rain.

Even in everyday use a backpack needs to be able to withstand the occasional heavy shower, which is why we've rated the five that scored 'poor' or 'very poor' as 'not recommended'.

Over time, the water resistance of the packs is likely to change (see *Woeful in the wet*, page 34).

4 Performance score

The performance score is a combination of the following test scores:

■ **Water resistance** (see above) contributed most (50%) to the performance score and was the reason five of the packs were 'not recommended'.

■ **Shoulder harness:** To test the strength of the shoulder harness, we loaded the packs with 45 kg for one hour. None of the packs was damaged in this test.

We also loaded the packs with 10 kg, lifted them 10 cm by the shoulder harness and dropped them. We repeated this test about 2000 times over a three-hour period to assess the durability of the shoulder harness. This test was designed to simulate the continued jerk of walking combined with a fairly heavy weight in the pack.

The **MACPAC** was the only model that suffered considerable damage in this test: the stitching between the front and back parts of the main compartment broke, leaving a 3 cm hole. However, the pack was still usable and the split could have been resewn.

■ **Waist belt and buckle:** We loaded the packs with 10 kg and then attached a 30 kg weight to the waist belt to test the strength of the belt and buckle. None of the packs was damaged in this test.

■ **Strength of material:** We dropped a 1 kg cone-tipped brass rod on the packs from a height of 25 cm and measured the size of the resulting holes.

None of the packs survived this test undamaged. However, the holes in the **MACPAC** only measured about 2 mm in diameter, while at the other end of the scale the rod punctured holes of 8 mm in the **SNOWGUM** and 12 mm in the **BERGHAUS**.

5 User trial score

A panel of seven experienced bushwalkers (men and women of different ages and body shapes) spent two days in the Blue Mountains with the packs, and assessed the following:

■ **Ease of use** (loading and unloading the pack, adjusting the straps for ideal body fit).

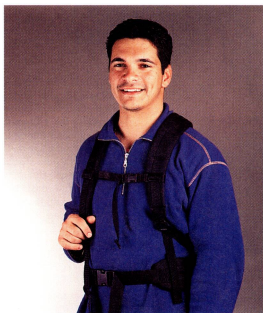
■ **Comfort** of wearing the loaded packs on a bush track, covering a variety of surfaces and gradients.

6 Overall score

The overall score combines the performance and user trial results, weighted as follows:

- Performance: 50%.
- User trial: 50%.

A waist and chest strap can make a pack more comfortable on a long bushwalk, as can padded shoulder straps.



Product certification marks

Everything seems to be approved or certified by somebody these days, and this means an assortment of logos, labels and markings — but what do they mean for you?

IN BRIEF

- The article explains what the major product markings that appear on appliances, hardware and other manufactured products mean.
- Which ones are worth looking out for when shopping, and what do they tell you about the product?
- What effect do they have on your responsibilities as a consumer?

THERE ARE ALL SORTS OF OFFICIAL-looking markings and labels adorning products these days, from fridges to showers to toys. But what do they tell you about the product? Is it safe? Is it good quality? Will it save you money?

We provide a brief rundown on the labels you're most likely to come across when shopping for appliances, hardware and other goods. We indicate whether they're mandatory — the product has to carry them in order to be used — or voluntary, what they do and don't tell you about the product, and whether they should affect your purchase decision.

StandardsMark

The Certified Product StandardsMark can be found on all sorts of things: from potting mix to child car restraints and washbasins to plasterboard. It tells

A manufacturer's claim that a product meets a particular standard is not necessarily reliable unless the official StandardsMark logo (top left) also appears — look out for it. Labels like the ones bottom left and right may make it look as if the products have been certified as conforming to the standard, but in fact they're just the manufacturer's claims. We found the bottom-left label on a pramette tested last year — when we tested against the standard,

it didn't pass several safety tests. But we also found one that was Standards-certified but failed a test — so although the StandardsMark may be the best safety guarantee you can get, it's not foolproof.

you that the product meets a specified minimum level of quality or safety. The standard's number should appear with the logo. StandardsMarks are granted by Quality Assurance Services (QAS), the independent subsidiary of Standards Australia.

Obtaining a StandardsMark is usually voluntary, and can be a useful marketing tool. However, for some products, particularly those involving road safety (for example, helmets, car restraints and wind-screens), a StandardsMark can be mandatory. In some cases carrying the appropriate certification is mandatory; in other cases compliance with the standard is mandatory but certification isn't. Sometimes both compliance and certification are voluntary. Unfortunately for the consumer, the rules vary from state to state and product to product.

The whole situation can be confusing — you could buy a non-certified bicycle helmet in one state, and unwittingly violate regulations when wearing it in another where certification is mandatory.

Another problem is that sometimes the StandardsMark applies to one aspect or component of the product rather than the whole thing, and you won't realise unless you read all the small print.

All that said, a StandardsMark is probably your best guide to choosing a safe product, such as safety footwear, eye protection, ear muffs and children's products, regardless of whether or not the particular standard is mandatory.

Electrical safety

Electrical products — including appliances and components such as switches, plugs and cables — are classified as either 'declared' or 'non-declared', based on their safety risk.

All declared articles must pass certain safety criteria before they can be sold, and must display a certification mark — a Certificate of Approval number or the StandardsMark is accepted by regulators. Declared articles include sockets, plugs, switches, and electric and electronic appliances.

■ Certificate of Approval

Suppliers of declared electrical goods apply to a state government regulator for a Certificate of Approval (CA), and must usually provide a test report from an approved laboratory.

The product itself displays either the approval number or the Regulatory Compliance Mark (RCM), which indicates the product has a CA and also meets electromagnetic compatibility criteria (see right).

The CA tells you that the product meets relevant electrical safety standards — it doesn't tell you anything about other aspects of quality or about



This product has been designed, manufactured and tested to comply with:

AUSTRALIAN
STANDARD

AS / NZS 2088:1993



performance. The StandardsMark indicates that a product meets electrical safety requirements specified in the relevant standard.

Non-declared articles are those currently believed to be low-risk in terms of safety and don't have to be approved — for example VCRs and computers. However, there is a voluntary approval scheme under which they are issued with a **Certificate of Suitability (CS)** or **StandardsMark** if they meet electrical safety standards.

Electromagnetic compatibility

Electromagnetic interference (EMI) is a form of electrical disturbance generated by all electrical and electronic products. For example, you might notice EMI when someone turns on a drill while you're watching TV.

The Australian Communications Authority oversees an electromagnetic compatibility (EMC) framework that aims to reduce problems arising from EMI. EMC certification is mandatory for many products that emit or may be susceptible to EMI.

A supplier must declare that its product conforms to the appropriate standards for EMC, and a product that meets EMC standards must display the C-tick or, providing it also meets electrical safety regulations, the RCM. To encourage continued compliance, suppliers are subject to random checks and audits by the Authority.



This television (above left) has a C-tick and an electrical safety approval number. The first letter of the approval number is the initial of the state where approval was obtained — in this case N for NSW. The Regulatory Compliance Mark (RCM — above right) means the product meets both electromagnetic compatibility and electrical safety criteria, and can be used instead of the two separate markings.

Gas safety

All gas appliances, barbecues and components should be approved by the Australian Gas Association (AGA), before they're supplied, hired out, sold or installed. The AGA tests products to ensure they're safe to operate — certification doesn't tell you anything about the quality or performance of the product. At the moment each state has its own

regulatory requirements, but the system should soon be national.

Energy efficiency

When you're shopping for an appliance, size, features and price play an important part in your final decision. But what about energy efficiency? Buying more energy-efficient appliances not only saves on running costs — which in the long term may cost you just as much as the purchase price — but may also help to decrease your impact on the environment.

■ Electrical appliances

Fridges, freezers, washing machines, clothes driers, dishwashers and air conditioners (up to 7.5 kW) must display an **Energy Rating Label**. Products are tested according to the relevant Australian Standard, and must also meet minimum performance criteria.

Products are given a **star rating** based on their electricity consumption in kilowatt hours (kWh) over a time period or under usage conditions specified on the label. The maximum is six stars — the more the label shows, the more energy-efficient the product is.

The star rating can only compare products of a similar size or capacity. For example, a 500 L fridge with five stars may still use more energy than a smaller fridge with five stars, but will use less than a 500 L fridge with four stars.

The actual electricity consumption is shown on the label too, in kWh. Use this to compare products with different sizes or capacities. You might then decide, for instance, that you can get by with a smaller fridge that uses less energy overall.



Look for this sticker when you're buying a gas appliance or barbecue.

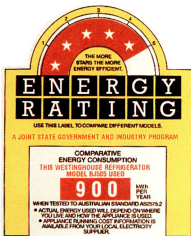
Your responsibilities as a consumer

Regulators point out that it's not the consumer's duty to look out for compliance markings on electrical goods and components or plumbing and telecommunications equipment. The onus is on the manufacturer or supplier (if the goods are imported) and even the retailer to ensure that goods sold meet regulatory requirements.

But non-compliant goods are available and can cause trouble. For instance, if you damage telecommunications authority property by using, say, an unauthorised modem bought overseas, you could be penalised.

If you use non-standard electrical fittings which cause a fire, your insurance may be negated — it's your responsibility to make sure you use certified components.

If a tradesman, such as a plumber or electrician, uses non-compliant parts that cause damage to your property, your insurance may again be negated. When you get work done, always use a licensed tradesperson — it's mandatory in most states anyway. Each state has different rules on whether a warranty or indemnity insurance — which protects you against defective work — is compulsory or voluntary. It's best to contact your state licensing authority and find out what qualifications, warranties and insurance the workers in your house need to protect you if they use non-compliant products, among other things.



■ Gas appliances

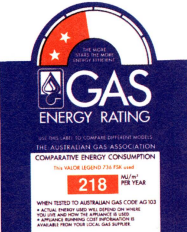
Gas space heaters and hot water systems have a Gas Energy Rating Label, with a star rating and energy consumption (in megajoules).

As with electrical energy efficiency ratings, the gas ratings take performance into account — how well a heater distributes heat around a room, or how quickly water reheats. However, the efficiency testing processes are currently being revised, and this may change — we'll keep you updated.

Telecommunications equipment

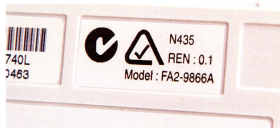
Products connected to the telephone network — such as telephones, answering machines, faxes and modems — must meet regulations for Australian telecommunications equipment and cabling.

The Australian Communications Authority requires an A-tick mark on products approved after July 1, 1997. Products approved before this date display an Austel Permit Number, which will be accepted until June 30, 1998, at which time the supplier will have to reapply for authorisation.



Look for these energy labels (above) on gas and electrical appliances — the more stars the better.

This answering machine (right) has a C-tick, an A-tick and an electrical safety approval number.



Management system certification

Quality Endorsed Company
ISO 9002
LIC 3636

INGREDIENTS: SALT, ANTI-CAKING AGENT (554).

Product of Australia.



Management system certification is granted to companies which have a management system in place that meets certain international standards. The company's system is regularly audited by QAS to make sure it's effective in meeting the company's goals.

It's important to note that when a product bears this mark, it's the manufacturer, not the product itself, which meets a particular standard — unlike the very similar StandardsMark.

This salt was made by a quality-endorsed company, but that doesn't guarantee the quality of the salt.

The compliance marking means the product is safe for both you and the network. The A-tick is not a guarantee of quality or performance.

Using non-authorised products — like that cheap cordless phone you picked up overseas — is illegal and penalties apply if you're caught. There are some exemptions, such as one-off imports of mobile phones, but they must still comply with requirements specified in the standard. It's up to you to make sure you're not committing an offence. Contact the Authority on 1800 335 526 if you have any enquiries.

Plumbing and drainage safety

All products connected to the water supply — such as appliances that use water, plumbing fixtures and components, and water treatment systems — must meet minimum health and safety regulations, and certification is mandatory for most products.

It's usually the responsibility of plumbers and manufacturers to ensure only authorised products are used. However, if you do any home building, renovations or repairs yourself, you should look for the Plumbing Safety TypeTest and WaterMark certification logos, or the StandardsMark.

If any problems arise as a result of using non-compliant products — such as flooding your house from a burst pipe — your insurance might not cover it. See *Your responsibilities as a consumer*, page 39, for more on this.



Type Tested



WaterMark logo

Water efficiency

The Water Conservation Rating scheme is managed by QAS on behalf of the Water Services Association of Australia. The labels can be found on newer models of washing machines, dishwashers, shower heads, toilets and tapware. The number of solid 'As' indicates their water efficiency rating:

- AAA is excellent.
- AA is high.
- A is acceptable.

The rating is purely voluntary, so if there isn't a label, you won't know whether a product failed the tests or hasn't been tested at all. □



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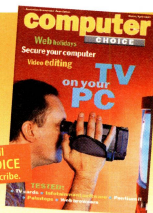
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Should I upgrade my computer?

Do you really need to replace your outdated computer, or will an upgrade do the trick?

THE COMPUTER INDUSTRY IS CONSTANTLY promoting the latest and greatest equipment, and it's easy to start feeling left behind if your system is getting on in years. This page will help you decide whether you need a more powerful computer and, if so, whether you should buy a new one or upgrade your old one.

If your computer currently does what you want, there's little point in upgrading now. Your upgrade itself will quickly become dated, so you're better off waiting until there's a good reason for spending the money. The time to consider an upgrade is when your computer:

- Is slow in day-to-day use.
- Can't run the software or peripherals you would like to use.
- Doesn't have the features you'd like.

If it doesn't do what you want, think about how much computing power you need — you may not have to upgrade to the latest technology. The following are some examples of common tasks, and the type of computer we recommend to do them. You'll see terms like RAM, CPU, MHz and MMX in computer ads — if you're not clear what they mean, see *The jargon*, right, for a brief explanation.

- **Games** are very demanding — a fast 266 MHz Pentium II with 64 Mb RAM will run the latest games comfortably. Most new games for Macs require a PowerPC processor — 120 MHz should do.
- **Multimedia** programs use video and sound to present information, so a fairly powerful 200 MHz Pentium with MMX — or a Macintosh PowerPC 200 MHz — and 32 Mb RAM are needed for high-quality playback.
- For general **Internet** surfing, a 133 MHz Pentium and 16 Mb RAM will easily cope with the latest browsers. However, even a 486 or a Macintosh 68040 will be sufficient for email, chat or newsgroups.
- A modern **word processor** will get by with a 486 CPU and 16 Mb RAM, or an older Performa or LC series Mac.

You'll find that computers below these specifications will often still do the job, but you might be waiting around longer for things to work.

Improve or replace?

Once you know the level you want to upgrade to, you need to decide whether your current computer can reasonably get to that level. As a rough guide, the older your computer, the less likely it will be worth upgrading.

The following is an indication of how practical it is to upgrade the more common generations of PC and Mac, starting with the most recent and working backwards.

- **Pentium-based computers:** Upgrading the CPU, hard disk and RAM will improve the speed enough to make a difference. If you want to upgrade to a Pentium II CPU, you'll need to upgrade the motherboard as well.
- **486 computers:** You can improve the speed of many 486 machines by upgrading the CPU to a 586 — about the speed of a slow Pentium. A bigger hard disk and more RAM will also improve performance.
- **386 or older computers:** Too many components would need to be upgraded, so for most 386 systems you're better off buying a new computer.
- If you've got a **brand-name PC** computer, your upgrade options may be limited. Many of them have motherboards which aren't compatible with any other computer, or with non-brand-name parts. Check with your supplier whether your computer has a standard AT-type motherboard (which means it will accept most types of motherboard).
- **Mac PowerPCs:** You can upgrade the RAM to improve speed, and you could consider adding video RAM for improved graphics performance.
- **Mac 68040-based computers:** Some 68040 machines can accept a logic board upgrade, which will turn them into PowerPCs. You can also upgrade RAM and video RAM.
- **Mac 88030 or earlier machines:** Most modern programs are slow on these machines and there are very few upgrade options — it would be cheaper to buy a new Macintosh Performa. □



The jargon

- **Random access memory (RAM)** is short-term memory your computer uses to store information and programs you're currently using, and is measured in megabytes (Mb). **Video RAM** is memory dedicated to handling graphics.
- A computer's central processing unit (**CPU**) is the 'chip' which does all the thinking. The speed at which it can make calculations is measured in megahertz (MHz) — 233 or more for a modern PC or Mac.
- An **MMX** CPU has extra features to improve the performance of multimedia software.
- The **motherboard** (or logic board for Macs) is the main circuit board which physically houses the CPU, RAM and any other expansion cards in your computer. Any upgraded components need to be able to slot into the existing slots in your motherboard.

Heating your head?

Heat lamps are nowadays by far the most popular choice when it comes to bathroom heaters. But if you don't get the right type for your bathroom, you could end up with a very hot head and cold feet.

IN BRIEF

- Unlike traditional radiant strip heaters, heat lamps aren't designed to warm the bathroom, just the person standing under them.
- The heated area is quite limited — outside this area, the temperature drops sharply.
- Most of the globes' heat will warm your head and shoulders, while your chest, back and legs get a much smaller share.

GETTING UP IN THE MORNING MAY be difficult at the best of times, but winter adds a whole new dimension to it. While the sprint from warm bed to warm shower may be just bearable, towelling yourself dry in a cold bathroom is a bad start to any day.

That's why a heater is part of most bathrooms in the cooler regions of Australia — the most popular type currently being heat lamps that combine two or four infra-red heat globes, an exhaust fan and a light in one unit (they're called 3-in-1 heat lamps). You can also get 2-in-1 models that don't have a fan, but they are much less common.

We tested all 3-in-1 models with two or four heat globes that are widely available in Australia. Some of these also come in a remote-controlled version, which we didn't test separately (see *Comparable models*, page 46).

How they work

Heat lamps aren't designed to heat the whole bathroom, just the person standing under them. Their globes emit infra-red light that'll warm you while you're under them, but that won't heat the surrounding air a great deal (as conventional heaters would). The light's also very bright, and some manufacturers recommend you don't look directly into it.

Through their shape and a reflective coating, the

globes concentrate the heat into a relatively small area directly under the lamp — larger for four-globe than for two-globe models, but still only big enough to heat a person. If you leave this area, you'll notice quite a sharp temperature drop. Keep this in mind when deciding where to put your heat lamp — it needs to be above where you'd normally stand to dry yourself (for more on where to put one, see *How to install a heat lamp*, right).

We measured the temperature on top of the head and on the chest of a test dummy standing under the heat lamps, which were mounted in a 2.4 m high ceiling. While the head became anything from warm to very hot in the test, chest temperatures were only a few degrees above the room temperature (around 21°C) for some models.

In winter, when the room temperature can be much lower than in our test, this may not be enough to sufficiently warm your body and legs.

The dramatic vertical temperature drop is also clearly visible in the thermal image on the right. So matching the heat lamps' wattage to your bathroom's ceiling height is essential (see *What to look for*, page 46). However, different household members may still experience different comfort levels, depending on their height — and even on the amount of bare scalp they expose to the heat globes.



How to install a heat lamp

There are several restrictions on the installation of heat lamps you need to consider before buying one:

- They're only suitable for horizontal ceilings, not cathedral or raked ones.
- They require a minimum distance between the bathroom ceiling and the roof of around 26 cm to 31.5 cm. This means they're probably not suitable for most units and some houses.
- For 3-in-1 models with a fan, the roof space needs to be well ventilated. Otherwise the moisture that's vented from the bathroom may condense and cause damage. If you have a flat roof and enough space to fit a heat lamp, you'll need to duct the fan to the outside — something you may want to consider no matter what kind of roof you have.
- They can't be installed vertically, on an angle or where they may be splashed by water.

Installing a heat lamp in your bathroom ceiling should be quite easy — all you do is use the cut-out template that was supplied with all the tested models except the PURE HEAT (while this model doesn't come with a template, the sample we purchased didn't have one).

In 10 mm or 13 mm plasterboard ceilings, the heat lamp is held in place by self-adjusting springs. If your ceiling is thicker, you can fit the heat lamp by screwing through its flange.

Before you cut the mounting hole, check that the area below the heat globes is where you're most likely to towel yourself dry, and that you're not cutting through the roof frame.

For the electrical connection you'll need to get a professional electrician, who may also be willing to do the whole job for you — expect to pay around \$100 to \$150 for a complete installation.

How much they cost to run

Manufacturers usually recommend switching on your heat lamp only while towelling yourself dry after a shower. However, we think that's fairly unrealistic. You're more likely to use it as you would, say, a radiant heater: switch it on when you go into the bathroom, and switch it off again when you leave.

Running a radiant strip heater for 20 minutes while you shower, towel yourself dry and get dressed would cost around five cents (1200 W model) to 10 cents (2400 W model). To run a heat lamp for the same time you'd pay around two cents (2 x 275 W model) to six cents (4 x 375 W model) — assuming a cost of 12 cents per kWh for electricity. So they're likely to be a little cheaper to run than a radiant heater, but you won't be warming the bathroom as much for yourself or the next person.

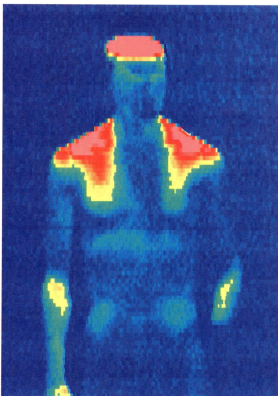
Replacing the globes

All the manufacturers except KAMBROOK give a two-year warranty on their heat globes — so they should last quite a while. When replacing them, keep the following in mind:

- You can use 275 W globes in 375 W units, but not vice versa.
- We found all heat globes with the same wattage to be interchangeable in all units. However, as there are small differences in the globes' size, some may be a bit easier to screw in than others. And some manufacturers say you're only supposed to use their own brand of heat globes, and that failure to do so may void the heat lamp's warranty.
- Most replacement globes cost around \$20 to \$30 and there's usually hardly any price difference between 275 W and 375 W globes of the same brand. However, we also found globes for as little as \$12.

WHAT TO BUY

Model with two 275 W globes	
KAMBROOK Trio CX15	\$88
Model with two 375 W globes	
IXL TASTIC Triumph 11312	\$149
Model with four 275 W globes	
IXL TASTIC Sensation 12303	\$169
Model with four 375 W globes	
IXL TASTIC Silhouette 12301	\$219



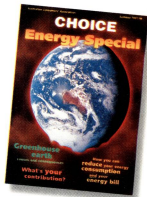
Free energy information

- Do you want to know more about different heating methods — not only for your bathroom but your whole home?

Our factsheet *Your heating options* explains the pros and cons of different fuels and heater types, and compares the cost and impact on the greenhouse effect of the most popular heating methods.

- Do you want to know how you can save money and help the environment? Our booklet *CHOICE Energy Special* tells you how the greenhouse effect may affect Australia and our lives, and gives plenty of tips on how to reduce your energy bill without missing out on comfort and convenience.

■ For your free copy of one or both publications, please send a prepaid, self-addressed, business-size envelope to CHOICE, *Heating options* and/or *Energy Special*, 57 Carrington Road, Marrickville 2204.



This image, taken by a thermal camera, confirms our measurements — that the head and shoulders receive most of the heat (red), while the chest and arms (blue) stay considerably cooler.

WHAT TO LOOK FOR

Two vs four heat globes — see immediate right for how to choose between them.



■ Your bathroom ceiling height is the most important factor when deciding which type of heat lamp is for you, and if it's lower than 2.4 m they may be simply unsuitable — you might get uncomfortably hot. Manufacturers generally recommend a maximum ceiling height for their products (see note 1, right, for details):

— Around 2.4 to 2.8 m for 2 x 275 W, 2 x 375 W and 4 x 275 W models.

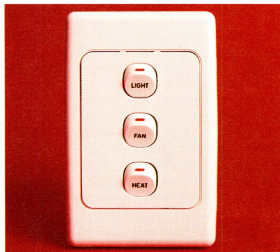
— Around 3.3 m for 4 x 375 W models.

For low- and medium-height bathroom ceilings (up to 2.8 m), a model with four 275 W globes may be a better choice than one with two globes, because it'll heat a larger area (see *How they work*, page 44). However, electricity costs will be slightly higher than with a two-globe model. These are also less versatile because they usually offer only one heat setting.

Models with four 375 W globes are designed for high ceilings (more than 3 m) — they may be too hot for your head if used in lower ceilings.

■ While you'll need the heat globes for only a few months each year, you're likely to use the fan of your 3-in-1 heat lamp all year round.

So once you've decided which type of heat lamp is for you, look for a good fan performance score (the *What to buy* list, page 45, includes the best in each category).



Switches galore — but all the tested controls were well-labelled and easy to use.

Comparable models

The following models are remote-controlled versions of the tested models with matching model names. While their technical performance should be the same, the remote control may lead to a difference in ease of use.

IXL TASTIC Smart Switch Triumph 11321	\$200
IXL TASTIC Smart Switch Sensation 12304	\$289
IXL TASTIC Smart Switch Silhouette 12302	\$319

DIFFERENT VERDICTS FROM DIFFERENT HOUSEHOLDS

For ...



Pam and her family live in an insulated double-brick home in Sydney's northern suburbs, so their medium-sized bathroom doesn't get too cold in winter.

They've installed a 4 x 275 W, 3-in-1 heat lamp and think it's wonderful. "We switch the globes and the fan on before taking a shower. The heat is very

comfortable, the mirror doesn't fog up, the tiles dry quickly and we don't get as much mould as before."

Although the family members are between 1.65 m and 1.9 m tall, they're all equally happy with the heat lamp.

■ **Verdict:** "A completely different league from the radiant heater we had before."

... and against



"Our medium-sized bathroom gets quite cold in winter," says Brian, who lives in an insulated brick-veneer house in Sydney's west. "We used to have a ceiling exhaust fan and a strip radiator, but replaced them with a 4 x 275 W, 3-in-1 heat lamp when we renovated the bathroom two years ago."

The three family members switch the globes and the fan on before taking a shower. While they find the heated area directly under the globes warm enough, they can clearly

feel a sharp temperature drop as soon as they take a step to the side.

"It's not as comfortable as it used to be with the radiant heater that heated the whole bathroom. I also think the fan's not as powerful as our old ceiling fan was — there's more condensation on the cold walls than before."

However, Brian can also see a good point. "The globes produce a very bright light — which is great if you have to remove a splinter from your finger."

■ **Verdict:** "I don't think I'd go for the same type of product again."

BATHROOM HEATLAMPS

Brand / model (in rank order within groups)	Manufacturer / distributor	Origin	Target price (\$)*	Warranty: main unit / heat globes (years)	Recommended max. ceiling height (m)	Heat settings	Fan performance score (%)	Ease of use score (%)	Overall score (%)	
MODELS WITH 2 x 275 W GLOBES										
KAMBROOK Trio CX15	MEC-Kambook	Australia	88	2 / 0	2.7	1	69	78	72	
IXL TASTIC Triumph 11311	IXL Appliances	Australia	119	5 / 2 (A)	2.4	1	60	75	65	equal
HPM Instant Heat2 R622/1	HPM Industries	Australia	120	5 / 2	2.8	1	60	75	65	
RINGGRIP NeatHeat 3in1 6600-0	Ringgrip	Australia	88	5 / 2 (A)	2.4	1	59	75	64	
AIRFLOW Sunshine Ensuite 6600A	Gerard Industries	Australia	110	5 / 2 (A)	2.7	1	57	78	63	
MODELS WITH 2 x 375 W GLOBES										
IXL TASTIC Triumph 11312	IXL Appliances	Australia	149	5 / 2 (A)	2.7	1	62	75	66	
RINGGRIP NeatHeat 3in1 Ultra 6650-0	Ringgrip	Australia	114	5 / 2 (B)	2.4	(C)	57	80	64	
MODELS WITH 4 x 275 W GLOBES										
IXL TASTIC Sensation 12303	IXL Appliances	Australia	169	5 / 2 (A)	2.7	2	66	82	71	
HPM Instant Heat4 R622/2	HPM Industries	Australia	150	5 / 2	2.8	2	62	72	65	
IXL TASTIC Original 11303	IXL Appliances	Australia	179	5 / 2 (A)	2.7	2	60	72	64	
AIRFLOW Sunshine Threesome 6500A	Gerard Industries	Australia	145	5 / 2 (A)	2.7	2	52	75	59	
FIRST HEAT Multi FT100	First Lighting & Supply House	Australia	159	5 / 2	2.7	2	50	75	58	equal
RINGGRIP Bathroom Buddy 6500-0	Ringgrip	Australia	138	5 / 2 (A)	2.4	2	50	75	58	
PURE HEAT Multi PM1/275	First Lighting & Supply House	Australia	159	5 / 2	2.7	2	48	72	55	
MODELS WITH 4 x 375 W GLOBES										
IXL TASTIC Silhouette 12301	IXL Appliances	Australia	219	5 / 2 (A)	3.3	2	64	68	65	
IXL TASTIC Nouvelle 11305	IXL Appliances	Australia	259	5 / 2 (A)	3.3	2	59	72	63	
RINGGRIP ClearHeat 3in1 Ultra 6850-0	Ringgrip	Australia	238	5 / 2 (B)	3.3	4	52	70	57	
RINGGRIP ClearHeat 3in1 6800-0	Ringgrip	Australia	168	5 / 2 (A)	3.3	2	50	68	55	
AIRFLOW Sunshine Hi-Beam Genius 6800G	Gerard Industries	Australia	269	5 / 2 (A)	3.3	4	53	57	54	
AIRFLOW Sunshine Hi-Beam 6800A	Gerard Industries	Australia	190	5 / 2 (A)	3.3	2	50	55	52	

* Prices shown are a good target to aim for when shopping around, based on nationwide checks in January 1998.

(A) On-site warranty, which means a service person will come to your home.

(B) On-site 'lifetime' warranty on body, lampholders and lamp surrounds.

(C) Continuously variable (like a light dimmer).

1 Recommended maximum ceiling height

Matching the right type of heat lamp to your bathroom ceiling height is important: while a low-wattage model installed in a 3.3 m ceiling won't be able to warm you sufficiently, a 4 x 375 W model installed in a 2.4 m ceiling may be too hot for your head — see *How they work* on page 44 and *What to look for*, above left, for more on this.

CHOICE would like to see the manufacturer's recommendation clearly visible on the packaging instead of buried in the instructions, as was the case with most of the tested models.

2 Number of heat settings

All the tested four-globe models have more than one heat setting, allowing you to adjust the amount of heat according to season or personal preference.

The RINGGRIP NeatHeat 3in1 Ultra 6650-0 was the two-globe model in the test offering this feature.

3 Fan performance score

We measured fan airflow (how many litres of air per second they could vent from our test room). Most models should be adequate for an average-sized bathroom.

Two tested models (the RINGGRIP NeatHeat 3in1 Ultra 6650-0 and ClearHeat 3in1 Ultra 6850-0) allow you to vary the fan speed. However, our test results suggest it's likely you're going to run them on their maximum setting anyway.

We also measured the noise one metre away from the fans, and found that better-performing fans are generally louder than less powerful ones. However, none of the tested models was annoyingly noisy, with the quieter ones producing not much more than a hum.

4 Ease of use score

We assessed how easy it was to:

- **Change the heat globes** (all the globes screw in and are generally easy to unscrew; exceptions were the tight-fitting globes on the

AIRFLOW Sunshine Hi-Beam and Sunshine Hi-Beam Genius).

- **Remove the cover** — for example, for cleaning (with most models, you'll need to unscrew at least one globe before you can remove the cover).

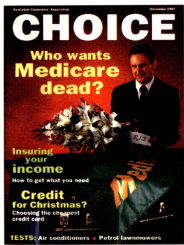
- **Use the switches** for the heat globes, fan and light (all the tested models have well-labelled and easy-to-use controls).

5 Overall score

The overall score is a combination of fan performance and ease of use, weighted as follows:

- Fan performance: 70%.
- Ease of use: 30%.

We didn't rate the models on their heating performance, because it depends too much on your particular bathroom and even on yourself (for example, your height and personal comfort level; see page 44 for details).



Angry anaesthetist

In a recent CHOICE (November '97), I notice that on page 8 you talk about "doctors" and anaesthetists' fees". Are you among the many misinformed who believe that anaesthetists are not doctors, or is this just a very badly written sentence, sacrificing accuracy for the sake of brevity?

In any event, it is misleading and perpetuates the misconception that the public has about anaesthetists. If people realised that anaesthetists are in fact doctors who have undergone an extra five years of training in this particular specialty, then perhaps they would not be so surprised by the size of the bill that this doctor sends them. Perhaps you could have worded the sentence "doctors' (including anaesthetists)..."

I would appreciate it if you could clarify this in your next issue. After all, the anaesthetist is the one who is keeping the patient alive while the surgeon is cutting! Thank you for an otherwise enjoyable magazine.

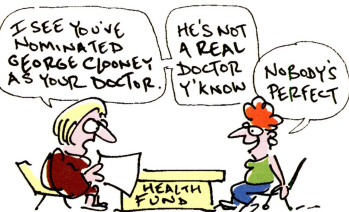
Jennifer Burman
via Internet

Another angry anaesthetist

Being an anaesthetist in the public hospital system, I was very disappointed with your article, *Is our healthcare system in crisis?*, which was featured in the November 1997 issue of CHOICE. My disappointment has its origins in the same area that is the reason that I usually sing the praises of CHOICE — independence and objectivity. While this article did not review a product as such, I believe that the goals of independence and objectivity should have been maintained nonetheless.

I accept that the former goal was achieved — independence — but objectivity? — not much of that to be found! This article presented as much subjective opinion as it did facts. As such, why is the author not named? Does everyone at CHOICE agree with the opinions voiced?

I noted Jane Mackenzie's editorial comment on page 2, denying any political bias. Her arguments are unconvincing. They are akin to claiming that, "I don't support political party



Z; I just support the policies that they espouse." The difference between the two is blurred.

Aside from the subjective views, some of the information presented as fact was questionable and unsubstantiated.

But I'm afraid you lost me completely when you helped to perpetuate a misconception about the qualifications of my profession. I ask you, Mr or Ms CHOICE, are anaesthetists doctors? YES!! They have done a medical degree, worked as a resident medical officer for a number of years, and then done a minimum of five years' post-graduate training, the same as a surgeon or

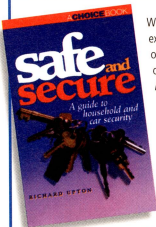
cardiologist, paediatrician or any other medical specialist. I would expect better from a publication such as yours, which should present well researched articles written by educated authors.

Dr David Olive
Fitzroy, Vic

We are fully aware that anaesthetists are specialist doctors and that their training is extensive. The article was written for an audience for whom the term 'doctor' has a specific meaning, as the healthcare professional responsible for their ongoing physical care. For the purpose of the survey we conducted (which was reported on page 8) it was important for respondents to be able to distinguish between 'their doctor' and the anaesthetist when it came to out-of-pocket fees.

CHOICE articles don't credit an author because they are based on extensive research which may involve several individuals, external experts and internal peer review. The opinions expressed are those of the Australian Consumers' Association (publisher of CHOICE) and not of the individual writer.

LETTER OF THE MONTH



We want to hear from you — your experiences help our research and often let other readers know about scams and rip-offs. To thank you for writing to us, Your Letters awarded a prize of a CHOICE book to the 'Letter of the month'. This month's winner, Amanda Cornwall, receives *Safe and Secure*, which explains how to make your home, your car and yourself safer, with practical tips on improving your security cheaply and effectively.

We're sorry we don't have the resources to answer all your letters personally, and in the magazine we may edit them or print only an extract. See page 2 for how to reach us.

● RECALLS & BANS

... and a thank you too

I have just reread the article in November 1997 CHOICE on health funding and felt moved to tell you what a great job was done by the researchers and writers. All the major myths are finally addressed in a credible way. It was a relief to see someone finally talk some sense about the 'waiting list' issue. Thanks for tackling these important issues so well.

Amanda Cornwall
via Internet

New Financial Complaints Referral Centre

With more and more financial services on offer, it can be difficult to know which complaints scheme is the right one to go to when problems arise.

The new Financial Complaints Referral Centre is a joint project of the Australian Securities Commission and the various complaint schemes in the finance industry. Consumers with a complaint about banking, both general and life insurance, financial advice, investments and superannuation can call the centre, and our information officers will identify the right complaints scheme for them and give contact details.

The centre can be contacted between 9 am and 5 pm on 1300 78 08 85 from anywhere in Australia for the cost of a local call.

Alan Cameron
Chair, Australian
Securities Commission
Sydney, NSW

If you find a recall or ban not on our list, please let us know. Companies often rent 1800 numbers for a couple of months after the recall is announced. If the number given is no longer operating, phone the manufacturer or retailer direct.

THE PRODUCT: Akai has recalled the Akai 68 cm colour television, model no. CT2577A/AT.

The problem: Possible defects in the electronic joints could cause arcing and present a fire risk.

What to do: Don't leave the TV on unattended. Call Akai immediately on 1800 550 115 to arrange for it to be modified. Check the rear of the set for the model and serial numbers.

THE PRODUCT: Tom Wolkenberg Imports has recalled Street Heat sunglasses, model no. 85358BM (the shape known as Blues Bros) distributed between August 1993 and December 31, 1997.

The problem: The glasses should have been labelled "Specific purpose sunglasses. Not suitable for driving."

What to do: Return them to the place of purchase for a full refund or a replacement pair to the equivalent value. For more information phone (03) 9618 3000.

THE PRODUCT: Toyota has recalled the Lexus LS400, model no. UCF20R, produced from April 10, 1995, to May 21, 1997, VDS 53UF20, frame number from 00025919 to 00093925.

The problem: Due to improper assembly, the starter magnetic switch may be faulty and cause a fire.

What to do: Contact the place of purchase or Mielczarek, Toyota, on (03) 9647 4729. Toyota has notified owners by letter and telephone.

THE PRODUCT: Prima Australia has recalled the Ideal 4 Slice 'Wheat' Toaster, model no. NT-030 (there is a wheat design on the side of the toaster), sold from September to October 1997 through Woolworths, Safeway, Flemings, Purity and Roell Vos supermarkets, Crazy Prices stores and Woolworths Variety stores.

The problem: An operational fault (the toast may not stay down).

What to do: Stop using the toaster immediately and return it to the place of

purchase for a full refund, or contact Prima Australasia for more information on (03) 9585 5592, 9 am to 4.30 pm, Monday to Friday.

THE PRODUCT: Pumpkin Patch has recalled girls' dressing gown, model no. 5040 (white with pink cotton check cuffs and hood lining, ages 2 to 12), and boys' dressing gown, model no. 5041 (blue denim, ages 2 to 12).

The problem: The items don't meet the Australian flammability standards and may be highly flammable.

What to do: Stop using the dressing gowns immediately. Return them for a full refund to: Pumpkin Patch, Reply Paid 178, PO Box 870, Brookvale 2100. For more information call 1800 676 567, Monday to Friday, 8 am to 8 pm, weekends 9 am to 3 pm.

THE PRODUCT: Oshawa Enterprises has recalled the TAAV Steam Vaporizer Heating Units, manufactured before November 1995 and identified by a Meldec brand plug with the markings CAT 6 or CAT 3.

The problem: The cylindrical electrode cover may not be secure and could

expose live steel electrodes and cause injury.

What to do: Return the heating unit only, to have three screws replaced, to: Oshawa Enterprises, PO Box 4018, Queanbeyan 2620. For more information call (02) 6286 3364, Monday to Friday, 8.30 am to 12 noon, 8 pm to 10 pm.

Note: Heating units returned for servicing during 1996 and 1997 are not affected by this recall.

THE PRODUCT: Arnette Optic Illusions has recalled Catfish model sunglasses fitted with either yellow-tinted lens colour or with a bronze lens, and Steel Mantis model sunglasses with 28 mm lenses.

The problem: The Catfish models don't carry the correct tagging information. The Steel Mantis model doesn't pass the Australian standard with respect to the field of view.

What to do: Contact the product manager at Arnette Optic Illusions for a refund or exchange of the product. For more information phone 1800 631 352.

PRODUCT SAFETY NOTICES

THE PRODUCT: Target has issued a product safety notice for the Hedstrom Britain 5 Unit Playgym Swing Set, model nos. 4-553 and 4-553L, with a date code between 4492 and 4696, sold by Target stores.

The problem: The 'Glide Ride' component of the swing set may break and cause injury.

What to do: Stop using the product. Call 1800 817 481 (9 am to 5 pm EST, Monday to Friday) to obtain a free repair kit.

THE PRODUCT: Step 2 has issued a product safety notice for the Step 2 Big Storage Chest, model nos. 7511 and 7211, sold at Toys 'R' Us outlets.

The problem: The lid falls.

What to do: Contact Toys 'R' Us on 1800 068 996 for a free lid repair kit, including lid supports.

THE PRODUCT: Jaguar Australia has issued a safety notice for Jaguar models XK8 and XJ8, built between July 2 and October 17, 1997.

The problem: Possible fault with the throttle cable retention bracket (for the accelerator control cable), which could cause deceleration.

What to do: Contact the place of purchase for inspection. Jaguar Australia has notified owners.

THE PRODUCT: Turning Point has withdrawn from sale The Wiggles girls' red/gold swing top with star-shaped buttons.

The problem: The points of the buttons could be harmful.

What to do: Return the product to a Myer or Grace Bros store for a full refund; or contact Turning Point on (03) 9416 3933 for a free set of replacement buttons.

1800 number for CHOICE?

A number of subscribers, especially interstate callers, have asked why we don't provide a 1800 or 1300 number for callers, as many other corporations and organisations do.

We'd like to do this, but unfortunately can't afford the additional cost it would impose on the organisation. Not only would we pay for the current level of calls (approximately 48,000 each year), but the experience of other organisations shows that once a 1800 number is provided, the number of calls goes up as more people make use of the free line. This would mean we'd need more staff to cope and the expense would simply spiral upwards.

At CHOICE our first priority is to maximise the number of product tests and service evaluations that we do, and to ensure we effectively lobby government and industry on health, money, food and safety issues.

We don't receive money from governments or income from advertising — it's only the subscriptions of people like you that support the work we do. So, to provide a 1800/1300 service would mean fewer tests or higher subscription costs. We'll keep monitoring the costs of such a service, but so far we think we're doing what you would prefer.

ABOUT THE AUSTRALIAN CONSUMERS' ASSOCIATION

The Australian Consumers' Association is a non-profit, non-party-political organisation, established in 1959 to provide consumers with information and advice on goods, services, health and personal finances, and to help maintain and enhance the quality of life for consumers. It is a Council member of Consumers International.

We are completely independent. We buy all the products we test on the open market. We are not beholden to any commercial, government or union interests, and we don't accept advertising, paid or unpaid. Our income is derived from the sale of CHOICE and our other publications and products.

We test and rate products and services. Our ratings are usually based on quality without regard to price, and are derived from lab tests, expert judgments and reader surveys. If a product is high in quality and relatively low in price, we deem it a **Best Buy**. A rating applies only to the brand and model tested, not to other models sold under the same brand name, unless so noted. We can't conduct special tests or provide information about tested products beyond what appears in CHOICE. Financial information in CHOICE is of a general nature, and is not intended to be advice on individual investments which should or should not be made.

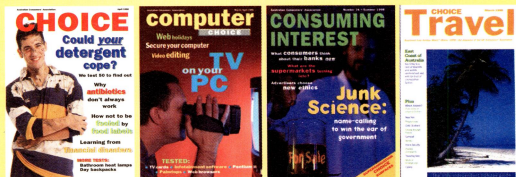
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We represent and act on consumers' interests. We lobby and campaign on behalf of consumers to promote their rights, to influence government policy, and to ensure consumer issues have a high profile in the public arena.

Membership. Subscribers can become voting members of the Consumers' Association on application. Membership costs \$79 per year, which covers your subscription to CHOICE and a further subscription to our consumer policy and campaigning magazine, *Consuming Interest*.

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CHOICE (published 11 times per year). CHOICE is a registered trademark of the Australian Consumers' Association. For information on subscription and back issues, see the order form on page 42.

CHOICE Books publishes non-fiction titles on a wide range of topics, with a consumer perspective. **Consumer Bookshelf** offers both CHOICE Books and material from other publishers by mail order.

COMPUTER CHOICE (published bi-monthly) provides information and tests for home computer users.

CONSUMING INTEREST, our quarterly policy and campaigning magazine, provides reports, analysis, opinion and debates on consumer issues. It also gives updates on the lobbying and campaign projects of the Consumers' Association.

CHOICE Health Reader (published 10 times per year) gives you the latest findings on nutrition, exercise and all branches of medicine and health care, compiled from up to 200 international scientific journals.

CHOICE Travel is produced by the UK Consumers' Association and reprinted by CHOICE four times a year. Its reports are independent in the same style as CHOICE and, while they're written from the perspective of a European base, most of the information in them is just as useful to travelling Australians.

CHOICEFax supplies faxed copies of many CHOICE and Computer CHOICE articles for \$6 per article to subscribers, \$16 to non-subscribers. Call (02) 9577 3277 to order by credit card.

CHOICEMONEYLINE gives accurate and independent credit information by phone. It provides up-to-date details about the most competitive home loans, personal loans, overdrafts and credit cards from banking institutions in your area. The information can also be faxed. Call 1900 17 00 88. (Calls cost \$1.95 per minute. Mobile phones have higher rates. Data from Cannex; phone service from Broadsystem).

Test Research provides fee-for-service testing and research on consumer products, services and regulatory issues for other consumer organisations, government and industry. **Manager:** Raja Rajagopal. **Contact:** Jeanette Dwyer (02) 9577 3333.

May 1997 — April 1998

For space reasons, the index generally doesn't include Choice Cuts, many other small pieces, and Recalls and Bans.

CHOICE Who wants Medicare dead?

Insuring your income
How to get what you need

Credit for Christmas?
Christmas credit card credit rules

TESTS: Air conditioners • Petrol blowmowers



Convenience — worth any price?

When you've got a choice between a late-opening supermarket or a local convenience store for late-night purchases, is it worth going out of your way to get to the supermarket?

What we did

We went to 30 stores in Adelaide, Canberra, Melbourne and Sydney which had, reasonably close to each other:

- A Coles, Woolworths or Safeway supermarket with extended opening hours, and
- Two late-opening convenience stores, such as 7-Eleven, BP Express or Shell Select. Whenever possible we included one convenience store and one petrol station store.

In each store we priced a basket containing:

- White sliced bread (680 g).
- Meadow Lea polyunsaturated margarine (500 g).
- Cadbury Dairy Milk chocolate (250 g).
- Nescafé Blend 43 instant coffee (100 g).
- CC's Tasty Cheese corn chips (240 g).

The following products weren't available at all stores, so we compared their prices on an individual basis, not as part of the basket:

- Sorbent toilet paper (two rolls).
- Panadol non-soluble paracetamol tablets (24).
- Streets Blue Ribbon or Peters Original vanilla ice cream (2 l).

Laws restricting trading hours for large supermarkets in Brisbane, Hobart and Perth mean that you probably have no alternative to convenience stores for late night purchases.

'Basket'

Average cost
43% more in convenience stores
Biggest difference 73%
Smallest difference 28%

\$19.02
Conv. store
↑
\$13.32
Supermarket

Coffee 37% more in convenience stores
Biggest difference 82%
Smallest difference 21%

\$6.39
Conv. store
↑
\$4.66
Supermarket

Chocolate 49% more in convenience stores

Corn chips 47% more in convenience stores

Bread 31% more in convenience stores

Margarine
53% more in convenience stores
Biggest difference 86%
Smallest difference 15%

\$2.73
Conv. store
↑
\$1.79
Supermarket

Other items

Paracetamol 56% more in convenience stores
Biggest difference 95%
Smallest difference 30%

\$3.89 Conv. store
↑
\$2.50 Supermarket

Ice cream 26% more in convenience stores

Toilet paper 37% more in convenience stores

All percentages and prices are averages, except those for 'biggest difference' and 'smallest difference'.

For some items the differences in price between supermarkets and convenience stores can be very dramatic — margarine, paracetamol and coffee in particular showed this. The 'biggest difference' is the largest percentage difference between a convenience store and its nearby supermarket from among all the areas we surveyed; similarly for the smallest difference.

WHEN IT'S 9 PM AND YOU'VE JUST remembered you need some bread and coffee for breakfast tomorrow, convenience stores certainly live up to their name. But over the last few years — in some cities at least — large supermarkets have been open late at night, providing competition for nearby convenience stores.

Most people are vaguely aware that they pay a bit more at convenience stores, but we wanted to find out just how much more. So we went after-hours shopping to find out — see *What we did*, left, for details.

We priced bread, margarine, chocolate, instant coffee and a packet of corn chips. For this 'basket' of five items, we found that convenience stores charged on average 43% more — roughly \$6 in this case — than late-opening supermarkets. We also checked out the prices of paracetamol tablets, ice

cream and toilet paper, and again found that you could be paying a lot more in a convenience store.

You can see above what we found. We've shown the average price difference between supermarkets and convenience stores for each product and the 'basket' of five items, and highlighted some of the extremes — such as paracetamol, for which we would have paid 95% more in one convenience store than in a nearby supermarket.

The bottom line is that for a 'basket' like the one we priced, you could save almost half the cost by going to a late-opening supermarket rather than a convenience store — as long as it's not much further away. It may not matter much if you only shop at convenience stores every few months, but if you're a regular convenience shopper you could be wasting hundreds of dollars a year for the sake of a few minutes' extra time spent going to a supermarket. □